INTERNAL REVENUE SERVICE

PART I

Electronic Return File Specifications for

Individual Income Tax Returns

TAX YEAR 2002

W&I, Submission Processing,

Individual Electronic Filing &

INFORMATION SYSTEMS ELECTRONIC FILING SECTION

August 30, 2002

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Introduction

This publication outlines the communications procedures, transmission formats, character sets, validation criteria, and error reject conditions for individual income tax returns filed electronically via telephone lines to participating Internal Revenue Service Centers. Also covered are the formats for statement records, examples of types of records, and explanations of the acknowledgment files transmitted to electronic filers.

The File Specifications (Part I) must be used in conjunction with the Record Layouts (Part II) and the corresponding version of the Handbook for Electronic Return Originators of Individual Income Tax Returns, Publication 1345. Software developers and transmitters should use both publications and must transmit test returns from the IRS developed Test Package for Electronic Filers of Individual Income Tax Returns, Publication 1436, which is revised yearly. Tax preparers who use a transmission service will need only Publication 1345.

Publication 1345, Publication 1346, and Publication 1436 are mailed automatically to applicants as appropriate, based on their intended participation. You may also call 1-800-829-3676 for additional copies of publications.

This publication and its updates are also available on the Digital Daily web site at www.irs.gov. In addition, they are available on the Electronic Filing System Bulletin Board System. The Electronic Filing Bulletin Board System (EFSBBS) operates seven days a week. The system is unavailable at 4:00 a.m. Eastern Time for about 30-60 minutes for maintenance. This system provides general Electronic Filing Program information as well as specific information concerning changes to this and other publications.

Filers using an asynchronous modem (14.4 Kbps or less) and communication software can access the bulletin board by dialing:

                         859-292-0137

The communication software should have the following protocol: Full Duplex, No Parity, 8 Data Bits, and 1 Stop Bit.

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Highlights for Tax Year 2002

New Form(s)/Schedule(s)

Six additional forms and three new records will be accepted for
Electronic Filing for Tax Year 2002:

Form W-2GU   Guam Wage and Tax Statement

Form 970   Application to Use LIFO Inventory Method

Form 1099-G   Certain Government & Qualified State Tuition
                    Program Payments

Form 1310   Statement of Person Claiming Refund Due to a
                    Deceased Taxpayer

Form 8594   Asset Allocation Statement Under Section 338 and 1060

Form 8880   Credit for Qualified Retirement Savings Contributions

New Record Types

FEC   Foreign Employer Compensation (FEC) Record

STCGL   Schedule D - Short Term Capital Gain/Loss

LTCGL   Schedule D - Long Term Capital Gain/Loss

Form 1040 Changes

- New Line 23 – Educator Expenses
- New Line 26 – Tuition and Fees
- New Line 49 – Retirement Savings Contributions Credit
- New Line 52 – Credits for Forms 8396 (Mortgage Interest Credit) and
                Form 8859 (DC First Time Homebuyer's Credit)

Corrected W-2

Electronic Return Originators (EROs) can now e-file returns that have
Corrected W-2 Wage and Tax Statements. A Corrected W-2 Indicator has
been added to the W-2 Electronic Return Record Layout, SEQ 0030, for
Tax Year 2002. There will NOT be a W-2C Electronic Record Layout.
SEQ 0030 on Form W-2 has a Corrected W-2 Indicator Box that is checked
when information on the W-2 electronic record is from a W-2C. See
Form W-2 Electronic Record Layout in Part II, Section 4.

Form 1310 - Decedent Returns

The electronic Form 1310, will not contain foreign address fields at
this time, thus will be for "Domestic Use Only" (APO/FPO and Stateside
Military Addresses will be allowed).

Form 2120 - Multiple Support Declaration

Extensive revisions--See new Record Layout

Highlights for Tax Year 2002 (continued)

e-file Campus Processing/Changes

For processing year 2003, some of the e-file service centers will be realigned. The service centers are now referenced as "e-file campuses". Ogden and Cincinnati will no longer process Individual tax returns.

- Ogden returns will be processed at the Austin Campus.
- Cincinnati returns will be processed at the Andover Campus.
- No change for returns processed at the Memphis Campus.

There will be no change to where returns are transmitted, because the realignment of the returns will be done internally for processing year 2003.

The Help Numbers will remain the same for all sites. Ogden and Cincinnati calls will be routed to the appropriate Campus site.

Front-End Processing Subsystem

- Transmitters may send 100 batches (batch Sequence numbers 00-99) of 10,000 returns (return Sequence numbers 0000-9999) per day per ETIN.

- New Warning Banner and Login prompt

- Modified Communication Error Message regarding NO RECAP RECORD RECEIVED

Nationwide Expansion of Electronic Signatures (Practitioner PIN)

IRS now offers two methods for taxpayers to sign their returns electronically, the Self-Select PIN and the Practitioner PIN. The Practitioner PIN provides an additional signature option for EROs to use in preparing and transmitting Forms 1040/A/EZ to IRS. It was previously limited to EROs who had an agreement to participate in the program, but beginning in PY 2003, the Practitioner PIN will be open to all EROs - **no agreements required**. Another alert will follow regarding file specifications and requirements.

The file specifications for software developers and transmitters used to program the Practitioner PIN in TY 2001 will remain the same for TY 2002. You can reference Publication 1346 for TY 2001 for specific instructions. Publication 1346 for TY 2002 will be available in September 2002.

Note: EROs are should confirm the identity of the taxpayer when completing Form 8879, IRS *e-file* Signature Authorization, prior to transmitting returns to IRS. EROs participating in the Practitioner PIN must retain Forms 8879 for three years from the return due date or IRS receive date, whichever is later. **Do Not Mail** Form 8879 to IRS.

Highlights for Tax Year 2002 (continued)

Foreign Employer Compensation (FEC) Record

To ensure accurate returns and valid claims for refunds, the Internal Revenue Service continues to require that Electronic Return Originators (EROs) receive Forms W-2 from taxpayers prior to the origination of the submission of the electronic return. However, many taxpayers working overseas or domestically for a foreign company do not receive Forms W-2 because their foreign employers do not issue them. To extend the capability to file electronically to these taxpayers whose compensation is paid by a foreign entity, an electronic Foreign Employer Compensation Record will be accepted in lieu of Form W-2 information. The literal "FEC" will be indicated to enable wage amount(s) received from foreign employers to be included in the compensation total reported on Line 7, Form 1040 or 1040A, or Line 1, Form 1040EZ. Supporting information regarding the identity of the employee of the foreign employer, the location at which the employee resided, the name and address of the foreign employer, and the amount of compensation received must be provided on the Foreign Employer Compensation (FEC) Record. Returns both reporting Foreign Employer Compensation and claiming Earned Income Credit will not be accepted electronically at this time.

Form 8453

An Authorized IRS e-file provider must submit Form(s) 8453 within three business days after receipt of the acknowledgement file. An electronically submitted tax return is not considered filed until we receive a complete and signed Form 8453. Your failure to comply to this request may result in suspension from the IRS e-file program.

These instructions do not apply to tax returns filed using electronic signatures such as Self-Select PIN or Practitioner PIN.

Non-Paid Preparer

The record layouts for Forms 1040/1040A/1040EZ (SEQ 1338) has been updated to record information in the field description to include "ONLINE-PARTNR" as a new literal. This literal will be utilized to identify the returns that are transmitted as a result of a partnering effort conducted by the IRS. As a result of this partnering effort an Online Software Company may develop a partnership with another entity, i.e. a large employer, community organization, government entity, financial institution, educational institution, etc. If the Online Software Company provides their software to be utilized by the entities' employees, constituents, customers, students, etc. this literal should be included in ALL of the returns that will be transmitted. This literal should ONLY be used to identify the returns that are transmitted as a result of the IRS partnering effort.

NOTE: The Online Software Company MUST inform their users that this field MUST be input in order for the IRS to correctly capture the data.

<u>Editorial Changes</u>

Changes made for Tax Year 2002 are noted by a single vertical bar in the right margin (|). Deletions are noted by a hyphen followed by a single vertical bar (-|).

An attempt was made to include as many changes as possible before publication. Any changes made after publication will be posted to the Electronic Filing Bulletin Board System.

Part III of Publication 1346 contains Electronic Transmitted Documents (ETD) File Specifications and Record Layouts.

<u>Comments and Suggestions</u>

Please send any comments or suggestions regarding Sections 1-3 to:

Internal Revenue Service
Yudeckia Brothers, W:CAS:SP:IEF:P, NCFB C4-173 |
5000 Ellin Rd.
Lanham, MD 20706

Please send any comments or suggestions regarding Section 12 of Part I to:

Internal Revenue Service
Federal/State Electronic Filing Program
Joyce Colbert, W:CAS:SP:IEF:P, NCFB C4-245 |
5000 Ellin Rd.
Lanham, MD 20706

Please send any comments or suggestions regarding Section 13 (Sub-sections
.01, .02, .03, .08 and .09) of Part I to:

Internal Revenue Service
Denise Barbarino, W:CAS:SP:IEF:P, NCFB C4-370 |
5000 Ellin Rd.
Lanham, MD 20706

Please send any comments or suggestions regarding Section 13 (Sub-sections
04, .05, .06, .07) of Part I to:

Internal Revenue Service
Carol Brauzer, **W:CAS:SP:IEF:R,** NCFB C5-121 |
5000 Ellin Road
Lanham, MD 20706

Please send any comments or suggestions regarding the Publication 1346
(except for Sections 1, 2, 3, 12, and 13) to:

Internal Revenue Service
Trena Moody, W:CAS:SP:IEF:P, NCFB C5-423 |
5000 Ellin Rd.
Lanham, MD 20706

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Section 1 – Data Communication

Electronic Filers will transmit over the Public Switched Telephone Network to the Submission Processing Center in Austin, TX or to the Tennessee Computing Center in Memphis.

NOTE: In 1996, IRS began phasing in a UNIX-based Front End Processing Subsystem (FEPS), also known as the Electronic Management System (EMS), at TCC to eventually replace all of the IBM Series/1 Data Communications Subsystem (DCS). In processing year 1997, the Tennessee Computing Center (TCC) replaced the Series/1 DCS with the new FEPS. In 1997, the Austin Service Center (AUSC) also began phasing in the FEPS and in 1999 phased out the IBM Series/1. Beginning with PATS 1999, the IBM Series/1 mini-computers were retired from Andover ANSC), Cincinnati (CSC), and Ogden Service Centers (OSC). Instead of installing the new FEPS in these centers, the following transmission rules apply:

Returns with ANSC EFINs and ETINs must be transmitted to the AUSC.
Returns with AUSC EFINs and ETINs must be transmitted to the AUSC.
Returns with CSC EFINs and ETINs must be transmitted to the TCC.
Returns with MSC EFINs and ETINs must be transmitted to the TCC.
Returns with OSC EFINs and ETINs must be transmitted to the AUSC.

After pre-processing on the FEPS, the returns will be routed to their appropriate UNISYS machines at Martinsburg or Tennessee Computing Centers. Returns will continue to be numbered and owned by the original home service centers. Returns are not to be transmitted as if they were AUSC or MSC EFINs or ETINs, unless they should belong to AUSC or MSC since this will cause delays in processing and workload imbalances. All inquiries regarding transmission, rejects, problems, and PATS should be directed to ANSC, AUSC, CSC, MSC, or OSC as appropriate.

Beginning with the 2002 filing season, the FEPS uses a menu-driven Trading Partner interface instead of a prompt-mode interface.

NOTE: Transmitters who expect to handle a large volume of electronic returns may request to lease their own dedicated line(s) at either AUSC or TCC. They must arrange to lease and install the lines and purchase modems at both ends. They may also purchase equipment to use one of the high-speed transfer protocols, such as FTP, on 56kbs or ISDN lines at either AUSC or TCC. For more information and approval, contact:

Internal Revenue Service
ATTN: Darryl Giles
EMS Development Section M:I:SD:SP:EI:EM
NCFB A5-357
5000 Ellin Rd.
Lanham, MD 20706

NOTE: The IRS systems are designed to handle large volume transmissions. The practice of transmitting many small batches saturates the indices and degrades the systems. Dial-up transmitters should file no more than 500 returns per transmission. Dial-up filers using ZMODEM with Checkpoint/Restart can file more than 500 returns per transmission. If fewer than 500 returns are to be transmitted, they should be filed not more than once per drain.

Dedicated, leased line transmitters may file up to 10,000 returns per transmission (Return Sequence Numbers 0000-9999); if fewer than 10,000 returns, file once per drain. Transmitters using high-speed protocols may file no more than 10,000 returns per transmission. Peak filing occurs around the "drain" times, which are posted on the Electronic Filing Bulletin Board System.
                    (859) 292-0137 – _not_ a toll-free call)

Section 1 - Data Communications

.01 IRS Front-end Processing Subsystem (FEPS)

1. Asynchronous (Async) Communications Specifications
   The FEPS support the following:

   a. Line Speeds
      1200 – 56,000 bps (1.2 – 56 kbps)

      Note: IRS recommends the fastest speed possible to reduce
      transmission times and costs and is exploring the feasibility of
      eliminating MODEM speeds under 28 kbps.

   b. Modems
      All Dial-up modems must be **compatible with V.34 (28.8 and 33.6 kbps)
      or V.90 (56 kbps) standards**. All leased-line async **modems must be
      the same at both the IRS and the transmitter sites.**

   c. File Transfer Protocols
      (1) FTP (with special permission – see note above)
      (2) KERMIT
      (3) XMODEM-CRC
      (4) XMODEM Checksum
      (5) XMODEM-1K
      (6) YMODEM-G
      (7) YMODEM-Batch
      (8) ZMODEM

      Transmitters may use any telecommunications software that is
      compatible with the above file transfer protocols.

   d. Character Codes
      American Standard Code for Information Interchange (ASCII)

   e. Industry Standards
      (1) Data
          (a) Industry Standard 103
          (b) Industry Standard 212A
          (c) ITU-T V.22
          (d) ITU-T V.22 bis
          (e) ITU-T V.32
          (f) ITU-T V.32 bis
          (g) ITU-T V.34
          (h) ITU-T.V.90
      (2) Error Control
          ITU-T V.42
          MNP 2-4 |
      (3) Data Compression
          (a) ITU-T V.42 bis
          (b) MNP 5

          NOTE: IRS does offer ZMODEM data compression.

      (4) File Compression
          COMPRESS
          GZIP (Freeware available from www.gzip.org)
      (5) Duplex
          New communication software usually defaults to full duplex, but
          older software may prompt for duplex, in which case, you should
          respond with "full".

Section 1 - Data Communications

.01 <u>**IRS Front-end Processing Subsystem (FEPS) continued**</u>

2. <u>**Trading Partner/Transmitter Interface (TPI)**</u>

The Trading Partner/Transmitter Interface (TPI) of the Front-End Processing Subsystem (FEPS) has two components: the Operating System Interface (OSI) and the Electronic Filing Systems Interface (EFSI). The OSI **and EFSI** prompts and messages are in upper/lower case. <u>The delete key **(if the TP's** |</u> <u>**terminal emulation software sends X'7F') or simultaneously entering the**</u> <u>**Control ("Ctrl") and Backspace keys**</u> may be used to correct a mistake while entering the login identification and password, (OSI interface). After successful login, the transmitter can use the <u>Backspace</u> key (also generated by simultaneously entering the Control ("Ctrl") and "h" keys), (EFSI interface). All responses may be in upper or lower case EXCEPT the <u>**login identification and**</u> **password**, which are case-sensitive and and must be entered with the exact case as it appears in the letter with your password and in the Transmitters Profile DataBase (TPDB).

All responses are echoed back except the password. On default prompts, the cursor will be to the right of the <u>**colon and blank**</u> (": "). |

3. <u>**Transmitter Profile DataBase (TPDB)**</u>

The Transmitter Profile DataBase (TPDB) keeps track of the sequence number for the ETIN to date. The sequence number is in the Acknowledgment Reference File Name on the FEPS. The Acknowledgment Reference File Name is composed of MMDDnnnn. The 4-digit sequence number represents the number of the transmissions to date for that ETIN. The Acknowledgment Reference File Name as well as ETIN, Julian Day and 2-digit sequence number for the Julian Day, **and FEPS-assigned Global Transaction Key (GTX Key)** are linked to your acknowledgment files and can be searched by the Help Desk Staff to research the status of a transmission.

4. <u>**Asynchronous Communications Transmitter Interface**</u>

After dialing the assigned telephone number to the FEPS, the transmitter must first enter the <u>carriage return</u> <cr> character, which typically can be generated by simultaneously entering the Control ("Ctrl") and "**m**" keys. This alerts the Operating System to transmit an ASCII login prompt.

NOTE: Turn off call waiting (*70) before logging onto the FEPS to avoid aborted sessions. **(Check with your phone company to verify use of *70** | **to disable call waiting.)** |

5. <u>**Examples**</u>

In the examples below, boldface text indicates information sent by the transmitter. The system will echo transmitter input and send a <u>carriage</u> <u>return</u> "**<cr>**", followed by <u>line feed</u> "**<lf>**" after receipt of a "**<cr>**" from the transmitter.

Section 1 - Data Communications

.01 IRS Front-end Processing Subsystem (FEPS) continued

6. **Suspended Transmitter**

   If a transmitter has been suspended from IRS e-file, after successful
   login, the FEPS will display the message: "SUSPENDED TRANSMITTER/ETIN"
   and disconnect the line.

7. **Logon Validation Specifications**

   a. Transmission Inactivity

      Any period of inactivity for 60 seconds will cause the line to be
      disconnected. It is assumed that the line is bad or that there are
      problems in transmission, so the line is disconnected to prevent the
      transmitter from being charged by the long-distance carrier for an
      inactive open line.

   b. Changing File Transfer Protocol indicator (FTP)

      The File Transfer Protocol indicated by the Trading Partner is shown
      by menu item number 3 in brackets. If the Trading Partner has not
      specified a protocol, Z-modem is assigned as a default protocol.
      A Trading Partner can chose menu Item 3 to change protocol.

   c. Changing File Compression

      **The FEPS assigns by default no compression on the file transfer.
      If the Trading Partner wants to use UNIX compression or GZIP
      compression, this can be selected from menu Item 4. See Trading
      Partner Interface (TPI) Session examples below.**

8. **IMF Trading Partner (1040 and ETD) Session Example**

   The following discussion describes how a Trading Partner (TP) who
   files Forms 1040 and ETDs will interact with the **FEPS. The figures
   are formatted for a word processing document and do not necessarily
   display the exact spacing that is used by the FEPS**. Note: The password
   is 8 alphanumeric characters.

Section 1 - Data Communications

.01 IRS Front-end Processing Subsystem (FEPS) continued

Figure 1 illustrates the TP login.

a. FEPS Banner |

```
****************************WARNING********************************
      Unauthorized access is prohibited by Public Law 99-474
           "The Computer Fraud and Abuse Act of 1986"

  This is a United States Government system.  It is intended for
  The communication, transmission, processing, and storage of
          official and other authorized information only.

            USE OF THIS SYSTEM CONSTITUTES CONSENT TO
            MONITORING AT ALL TIMES AND IS NOT SUBJECT
                  TO ANY EXPECTATION OF PRIVACY.

  AUTHORIZED USE ONLY!  ACCESS TO THIS US GOVERNMENT SYSTEM CONSTITUTES
  CONSENT TO MONITORING FOR LAW ENFORCEMENT AND OTHER PURPOSES.
  Login: 00000
  Password: password
  Last login: Sun Aug 13 10:58:58 from computername
```

Figure 1. Trading Partner Login.

If the TP successfully logs in to the Operating System, the "Official Use"
banner appears, as shown in Figure 2.

```
     ----------------------------------------------------------
            F O R   O F F I C I A L   U S E   O N L Y

                    #    #####    ####
                    #    #   #   #
                    #    #   #   ####
                    #    #####       #
                    #    #  #  #   #
                    #    #   #   ####

                  U.S. Government computer

          F O R   O F F I C I A L   U S E   O N L Y
     ----------------------------------------------------------
```

Figure 2. "Official Use" Banner.

Section 1 - Data Communications

.01 IRS Front-end Processing Subsystem (FEPS) continued

        b. EFS Down Message

If the **FEPS** application is not available the message shown in Figure 3 will be displayed and the TP will be disconnected.

```
EFS is down! Please try later.
```

Figure 3. EFS Down Message.

        c. Suspended Transmitter Message

If the FEPS application is available but the TP has been suspended, the message in Figure 4 will be displayed and the TP will be disconnected.

```
SUSPENDED TRANSMITTER/ETIN.
```

Figure 4. Suspended TP Message.

        d. Active Transmitter

If the Trading Partner is active, the menu shown in Figure 6 will be displayed. The TP's current file transfer protocol will be displayed in brackets next to the "Change File Transfer Protocol" menu item. The TP's current compression method will be displayed in brackets next to the "Change Compression Method" menu item. The possible file transfer protocol and compression method values are identified in Section 1.01.1. The "File Transfer Protocols" and "File Compression Methods" menus are shown and discussed in Figures 7 through 14.

        e. Unsuccessful Logon

After each unsuccessful login the system displays

```
Login incorrect
```

Figure 5. Incorrect Login

Section 1 - Data Communications

.01 IRS Front-end Processing Subsystem (FEPS) continued

After 6 consecutive unsuccessful login attempts the account is <u>disabled</u>. If a Trading Partner has six consecutive unsuccessful login attempts (in two consecutive sessions) to the IRS Front-end Processing System, their account will be temporarily disabled. The Trading Partner can continue to attempt to login to the system and will continue to be disconnected after every three unsuccessful login attempts, but, if the Trading Partner supplies the correct ETIN and password, the system will display the message, "This account is currently disabled". If this happens, the Trading Partner should contact the Home Submission Processing Center (SPC) EMS Help Desk. They will document the problem and refer it to a computer specialist.

f. Successful Logon

NOTE: A TP's initial compression method will be "NONE". To override the default, the TP must select a compression method (which is discussed later in this section). The FEPS does not automatically sense compressed files. Acknowledgment files will then be compressed and sent to the TP using the TP's selected compression method. The TP is also expected to submit file(s) compressed in the same manner.

At any prompt, if a TP does not respond in 60 seconds, the following actions will be taken:

- display "DISCONNECTING FROM EFS."
- disconnect the TP.

```
                    MAIN MENU

            1) Logoff
            2) Receive/Send File(s)
            3) Change File Transfer Protocol [ZMODEM]
            4) Change Compression Method [NONE]

        Enter your choice:
```
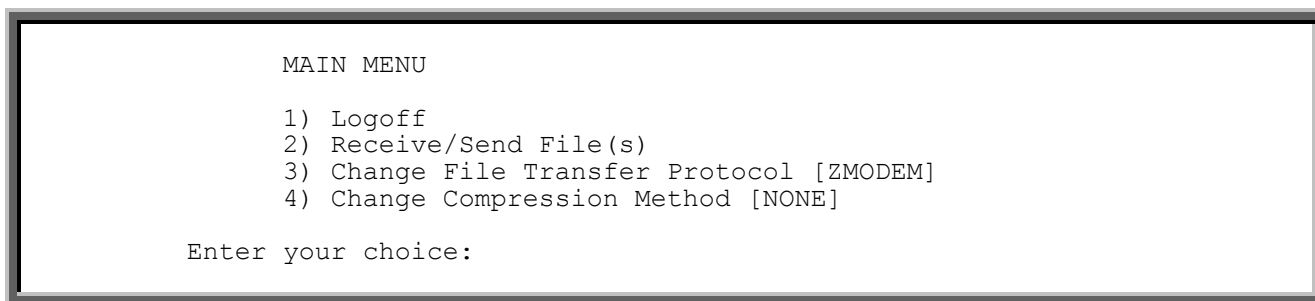
Figure 6. Initial Main Menu Display

From the Main Menu, the TP can end the session by choosing "Logoff", receive/transmit a file by choosing "Receive/Send File(s)", change the file transfer protocol by choosing "Change File Transfer Protocol", or change the compression method by choosing "Change Compression Method".
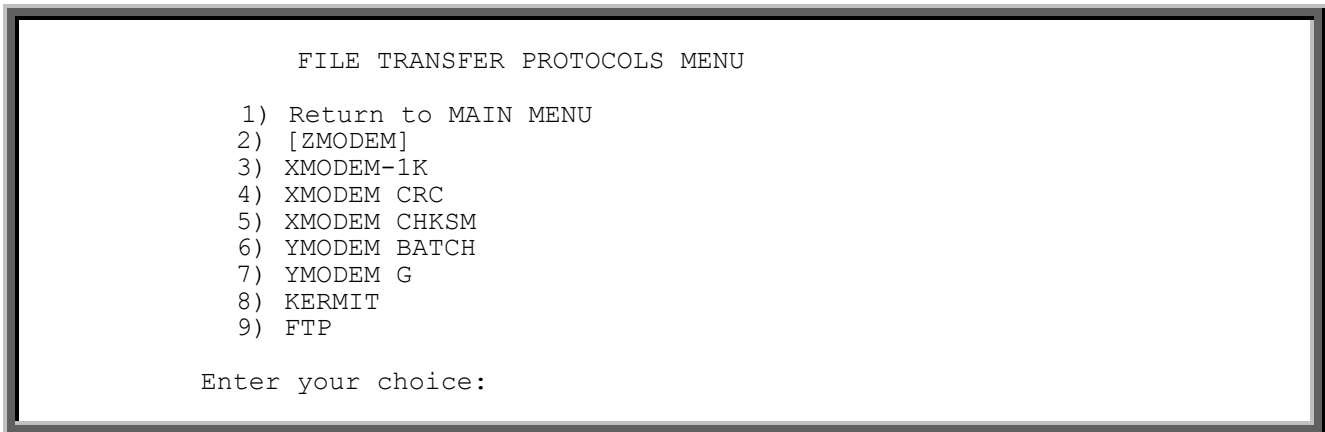
Section 1 - Data Communications

.01 <u>IRS Front-end Processing Subsystem (FEPS) continued</u>

      g. <u>Changing File Transfer Protocol</u>

When the TP chooses "Change File Transfer Protocol", the menu shown in
Figure 7 will be displayed. Brackets will frame the TP's current file
transfer protocol. Before a TP can use the FTP protocol, the TP must
provide certain configuration information to the IRS. If this information
does not exist in the **Trading Partner DataBase (TPDB)**, then "FTP" will not
be displayed to the TP as one of the available protocols.

**See Section 1.01 introductory information for the IRS person to contact
regarding use of the FTP protocol.**


```
              FILE TRANSFER PROTOCOLS MENU

          1) Return to MAIN MENU
          2) [ZMODEM]
          3) XMODEM-1K
          4) XMODEM CRC
          5) XMODEM CHKSM
          6) YMODEM BATCH
          7) YMODEM G
          8) KERMIT
          9) FTP

       Enter your choice:
```

Figure 7. Initial File Transfer Protocol Menu Display

The TP can change the protocol or return to the Main Menu. If the TP
selects a protocol, the Main Menu will be redisplayed with the selected
protocol in brackets as shown in Figure 10. This protocol setting will be
be saved in the TPDB and will be used for all future incoming/outgoing
file transfers unless the TP changes the protocol again.

Section 1 - Data Communications

.01 **IRS Front-end Processing Subsystem (FEPS) continued**

Any character other than one of the menu number choices is considered invalid (as shown in **Figure 8).**

```
                    FILE TRANSFER PROTOCOLS MENU

              1) Return to MAIN MENU
              2) [ZMODEM]
              3) XMODEM-1K
              4) XMODEM CRC
              5) XMODEM CHKSM
              6) YMODEM BATCH
              7) YMODEM G
              8) KERMIT
              9) FTP

         Enter your choice:  0 (or any other invalid character)
```
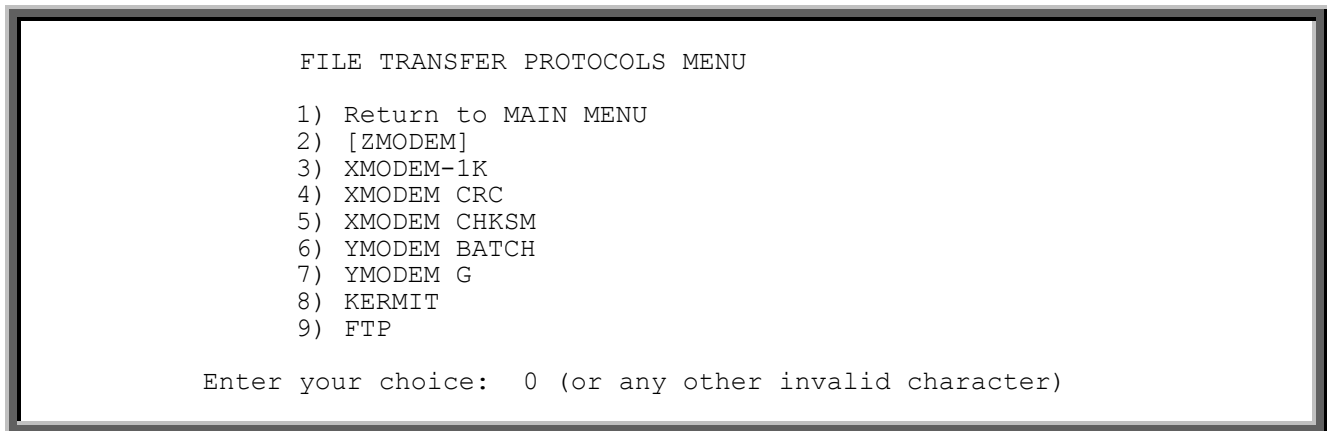
Figure 8. Invalid File Transfer Protocol Menu Selection.

If the TP enters an invalid character, an invalid menu selection message along with the File Transfer Protocols Menu will be displayed as shown in **Figure 9. If the TP fails to make a valid selection in three attempts, the TP will be disconnected.**

```
         Invalid menu selection.  Try again.

                    FILE TRANSFER PROTOCOLS MENU

              1) Return to MAIN MENU
              2) [ZMODEM]
              3) XMODEM-1K
              4) XMODEM CRC
              5) XMODEM CHKSM
              6) YMODEM BATCH
              7) YMODEM G
              8) KERMIT
              9) FTP

         Enter your choice:  9
```

Figure 9. Invalid File Transfer Protocol Menu Selection Error Message.

.01 **IRS Front-end Processing Subsystem (FEPS) continued**

After the TP chooses a valid option from the File Transfer Protocols Menu or chooses "Return to MAIN MENU", the Main Menu is redisplayed.

```
              MAIN MENU

        1) Logoff
        2) Receive/Send File(s)
        3) Change File Transfer Protocol [FTP]
        4) Change Compression Method [NONE]

     Enter your choice:  4
```

Figure 10. Redisplay of Main Menu after Protocol Change.

The TP can now end the session by choosing "Logoff", receive/transmit a file by choosing "Receive/Send File(s)", change the file transfer protocol by choosing "Change File Transfer Protocol", or change the compression method by choosing "Change Compression Method".

> h. Change Compression Method

The following discussion assumes the TP chooses "Change Compression Method." The File Compression Methods Menu will be displayed as shown in **Figure 11**. Brackets will frame the current compression method. The two supported compression methods are **GZIP** (a freeware program available at www.gzip.org) and **COMPRESS** (a Unix compression utility).

```
          FILE COMPRESSION METHODS MENU

        1) Return to MAIN MENU
        2) [None]
        3) GZIP
        4) COMPRESS

     Enter your choice:
```

Figure 11. Initial File Compression Methods Menu Display.

If the TP chooses a compression method, the Main Menu will be re-displayed with the selected method framed by brackets as shown in **Figure 14**. This compression method setting will be saved in the **TPDB** and will be used for all future incoming/outgoing file transfers unless the TP changes the compression method again. The TP's initial setting will be "None". Before using compression, the TP must select a method from File Compression Methods Menu.

.01   IRS Front-end Processing Subsystem (FEPS) continued

```
                   FILE COMPRESSION METHODS MENU

              1) Return to MAIN MENU
              2) [None]
              3) GZIP
              4) COMPRESS

         Enter your choice:  5
```

Figure 12. Invalid File Compression Menu Selection.

If the TP enters a character other than one of the menu number choices
(as shown in **Figure 12**), an invalid menu selection message along with the
File Compression Methods Menu will be displayed as shown in **Figure 13**.
**If the TP fails to make a valid selection in three attempts, the TP will be
disconnected.**

```
         Invalid menu selection.  Try again.

                   FILE COMPRESSION METHODS MENU

              1) Return to MAIN MENU
              2) [None]
              3) GZIP
              4) COMPRESS

         Enter your choice:  3
```

Figure 13. Invalid File Compression Methods Menu Selection Response.

If the TP chooses to return to the Main Menu, the Main Menu will be displayed
again as shown in **Figure 14.** The TP can now choose to end the session,
transmit another file, or change protocol and/or compression settings.

```
                   MAIN MENU

              1) Logoff
              2) Receive/Send File(s)
              3) Change File Transfer Protocol [FTP]
              4) Change Compression Method [GZIP]

         Enter your choice:  2
```

Figure 14. Main Menu Display After Change Compression Method Menu.

Section 1 - Data Communications

.01 IRS Front-end Processing Subsystem (FEPS) continued

    i. Receive/Send Files(s)

When the TP chooses the "Receive/Send File(s)" menu item, the FEPS TP
interface software will check to see if there are acknowledgment files
to be sent to the TP. If there are no acknowledgment files, the message
in **Figure 15** will be displayed followed by the "send" prompt shown in
Figure 22. This will allow TPs to submit files even if there are no
acknowledgment files awaiting TP receipt.
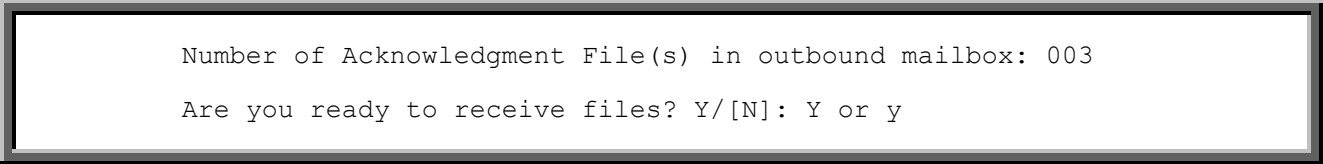
        Number of Acknowledgment File(s) in outbound mailbox: 000

Figure 15. Zero Acknowledgment File Display.

If there are acknowledgment files, the messages shown in **Figure 16** will
be displayed. The message will show the number of acknowledgment files
in the outbound mailbox waiting to be sent to the TP. **The FEPS TP interface
will send at most 50 acknowledgment files at a time. If there are more**
than 50 acknowledgments in the outbound mailbox the TP may choose item 2
**from the Main Menu again to receive additional acknowledgments. The count
of Files in the outbound mailbox is recalculated every time the TP selects
"Receive/Send File(s)".**

    (1) Receive Acknowledgment Files

        Number of Acknowledgment File(s) in outbound mailbox: 003

        Are you ready to receive files? Y/[N]: Y or y

Figure 16. One or More Acknowledgment Files Display.

If the TP enters anything other than "Y" or "y", the Main Menu (**Figure 29**)
will be redisplayed. If the TP fails to respond affirmatively three
consecutive times, FEPS will be disconnected rather than returned to the
Main Menu.

The TP cannot send files until after receipt of acknowledgment files. If
there are more than 50 acknowledgment files, the TP can send a file after
receiving 50 acknowledgment files.

If the TP responds to the prompt affirmatively, a message will be
displayed notifying the TP that the file transfer is about to begin.
The message depends on the protocol being used. For **Zmodem**, any mode
of **Xmodem** or any mode of **Ymodem**, the message in **Figure 17** will be
displayed. For FTP, the message shown in **Figure 18** will be displayed.
If the TP is using the **Kermit** file transfer protocol, the FEPS will
send the notice shown in **Figure 19**. The file transfer will begin after
the appropriate notice.

.01 IRS Front-end Processing Subsystem (FEPS) continued

```
       EFS ready for modem download.
```

Figure 17. Modem Download Notice for Zmodem, Xmodem, and Ymodem Protocols.

```
       Putting File(s) by FTP.
```

Figure 18. "Putting Files" Notice for FTP Protocol.

```
       Put your Kermit program in server mode now.
```

Figure 19. Kermit Server Mode Notice.

If the TP is using **FTP, Ymodem G or any mode of Xmodem** as the file transfer protocol, up to 50 acknowledgment files will be **concatenated and sent to the TP as a single file.** If the TP is also using compression, the resulting concatenated file will be compressed.

If the TP is using Kermit, Ymodem Batch or Zmodem as the file transfer protocol, the **FEPS will send up to 50 separate acknowledgment files**. If the TP is also using compression, each file will be separately compressed. See **Figure 33** for a description of acknowledgment file names. **See Section 1.02** for more information on receiving Acknowledgment Files.

If the TP interface software detects that the transmission of Acknowledgment Files did not complete successfully, the message in **Figure 20** will be displayed followed by the Main Menu (**Figure 29**). If this happens three times in a row, the TP will be disconnected.

```
       Error transmitting Acknowledgment File(s).
```

Figure 20. Acknowledgment File Transmission Error Message.

If the TP interface software does not detect an error, the message shown in **Figure 21** will be displayed.

```
       Acknowledgment File(s) transmission complete.
```
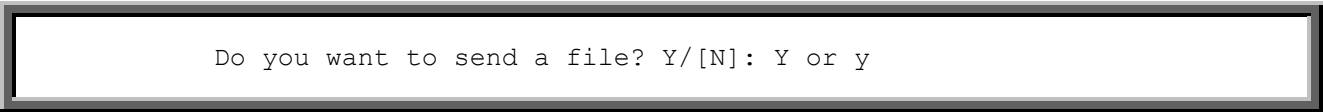
Figure 21. Acknowledgment File Transmission Complete Message.

Section 1 - Data Communications

.01 IRS Front-end Processing Subsystem (FEPS) continued

(2) Send File(s)

Next the **FEPS** will ask if the TP wants to send a file as shown in **Figure 22**.

```
             Do you want to send a file? Y/[N]: Y or y
```

Figure 22. Send File Prompt.

If the TP enters **anything other than "Y" or "y"**, the Main Menu (**Figure 29**) will be redisplayed. If there are no acknowledgment files for the TP to receive and the TP fails to respond affirmatively three times in a row, the TP will be disconnected.
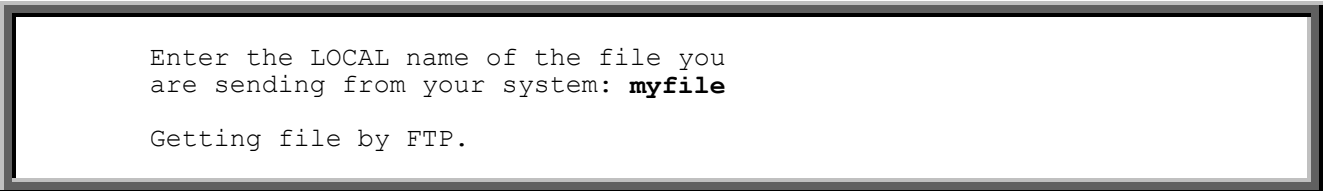
Otherwise, the next prompt depends on the file transfer protocol being used. If the TP is using **Zmodem**, any mode of **Ymodem**, or any mode of **Xmodem**, the **FEPS** will prompt the TP to start the file transfer as shown in **Figure 23**.

```
             Enter an upload command to your modem program now.
```

Figure 23. Modem Upload Prompt for Zmodem, Xmodem, Ymodem Protocols.

If the TP is using the **FTP** protocol, the FEPS will prompt the TP to supply a file name as shown in **Figure 24**. After supplying the file name the TP will be notified that the FTP transfer is beginning. This notice is also shown in **Figure 24**.

```
        Enter the LOCAL name of the file you
        are sending from your system: myfile

        Getting file by FTP.
```

Figure 24. FTP File Name Prompt.

If the TP is using the Kermit protocol, the FEPS will prompt the TP to supply a file name as shown in **Figure 25**. After supplying the file name the TP will be notified to put the Kermit program in server mode. This notice is also shown in **Figure 25**.

.01   IRS Front-end Processing Subsystem (FEPS) continued

> Enter the LOCAL name of the file you
> are sending from your system: **myfile**
>
> Put your Kermit program in server mode now.

Figure 25. Kermit File Name and Server Mode Prompt.

If the TP responds to the filename prompts in **Figure 24** or **Figure 25** with
only a carriage return (<CR>), then the notice shown in **Figure 26** is
displayed. If the TP responds with only a <CR> three times in a row,
the TP will be disconnected.

> Invalid file name.
>
> Enter the LOCAL name of the file you
> are sending from your system: <CR>

Figure 26. Invalid File Name Message.

Once the TP has been notified that the file transfer is beginning (**Figure 23**,
Figure 24 or **Figure 25**), the TP has **60 seconds to begin the file transfer**.
**If the FEPS does not receive at least part of the TP's file within 60 seconds,
the TP will be disconnected.**

If the FEPS does not detect an error, the transmission confirmation message
shown in **Figure 27** will be displayed followed by the Main Menu (**Figure 29**).
If the TP hangs up without receiving the confirmation message, the file may
be discarded and a Communications Error Acknowledgment File may be generated.

**The transmission confirmation message contains the Global Transaction (GTX)
Key and the Acknowledgment Reference File Name.** The GTX Key is the unique
identifier assigned by the FEPS to the file sent by the TP, and is used to
track the processing of the file and its subsequent acknowledgment. The
Acknowledgment Reference File Name is used when constructing the name of
the acknowledgment file delivered to the TP. (**See Section 1.01.8** for a
description of the GTX Key and its relationship to the Acknowledgment
Reference File Name).

> Transmission file has been received with the following GTX Key:
>
> Z20011020123423.1700   10200001

Figure 27. Transmission Confirmation Message Display.

.01   IRS Front-end Processing Subsystem (FEPS) continued

If the FEPS detects that the transmission did not complete successfully, the
message in **Figure 28** will be displayed followed by the Main Menu (**Figure 29**).
If this happens three consecutive times, the TP will be disconnected.

```
        Error receiving file.  You must send it again.
```

Figure 28. Transmission Receipt Error Message.

The Main Menu is redisplayed as shown in **Figure 29**. The TP can now end
the session by choosing "Logoff", receive/transmit a file by choosing
"Receive/Send File(s)", change the file transfer protocol by choosing **"Change
File Transfer Protocol"**, or change the compression method by choosing **"Change
Compression Method"**.

Another batch of returns or ETDs can be transmitted.

```
              MAIN MENU

          1) Logoff
          2) Receive/Send File(s)
          3) Change File Transfer Protocol [ZMODEM]
          4) Change Compression Method [NONE]

       Enter your choice:  8 (or any other invalid character)
```

Figure 29. Redisplay of Main Menu.

If the TP enters a character that is not one of the listed number choices, an
invalid menu selection message along with the Main Menu will be displayed as
shown in **Figure 30**. **If the TP fails to make a valid selection in three
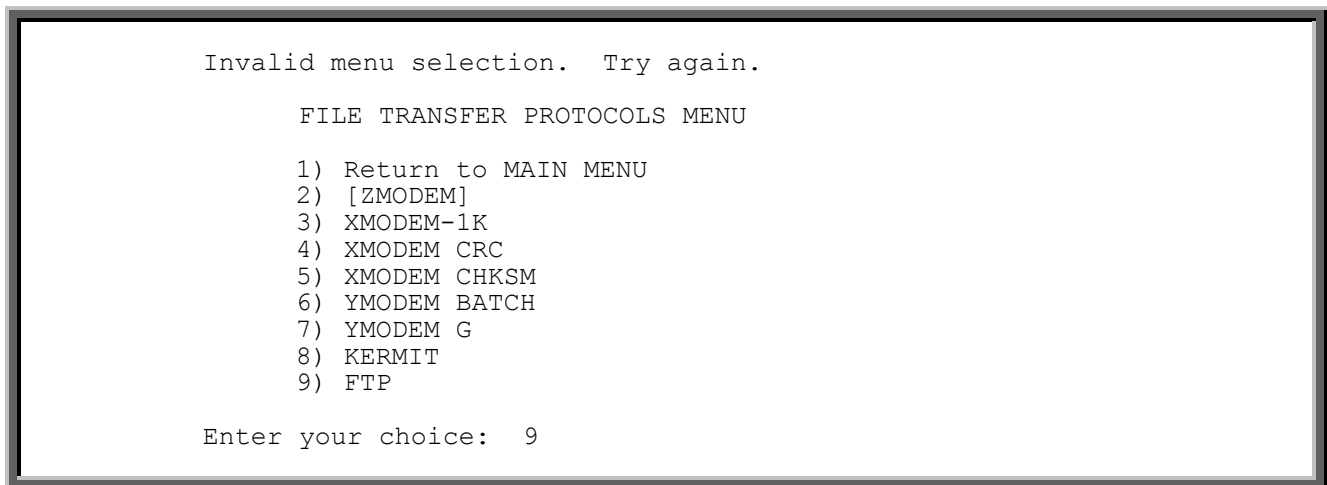attempts, the TP will be disconnected.**

```
        Invalid menu selection.  Try again.

              MAIN MENU

          1) Logoff
          2) Receive/Send File(s)
          3) Change File Transfer Protocol [FTP]
          4) Change Compression Method [GZIP]

       Enter your choice:  1
```

Figure 30. Invalid Main Menu Selection.

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.01   IRS Front-end Processing Subsystem (FEPS) continued

j. Logoff

If the TP chooses to logoff, the FEPS will perform any necessary clean up activities, record statistical information in the FEPS database, and then display the message shown in **Figure 31. The TP should not hang up before receiving the disconnect message. If the TP does hang up prematurely, the FEPS may not complete its cleanup activities. This could result in the TP receiving acknowledgment files again in the next login session or in having a submission file discarded.**

```
        DISCONNECTING FROM EFS.
```

Figure 31. End of TP Session Message

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    k. <u>Example of Logon, Receive, Send, Logoff</u>

Figure 32 illustrates a complete TP session including login, receipt of acknowledgment files, transmission of a tax return file, and session termination.

```
*****************************WARNING*********************************
        Unauthorized access is prohibited by Public Law 99-474
              "The Computer Fraud and Abuse Act of 1986"

  This is a United States Government system.  It is intended for
  The communication, transmission, processing, and storage of
          official and other authorized information only.

          USE OF THIS SYSTEM CONSTITUTES CONSENT TO
          MONITORING AT ALL TIMES AND IS NOT SUBJECT
                  TO ANY EXPECTATION OF PRIVACY.

  AUTHORIZED USE ONLY!  ACCESS TO THIS US GOVERNMENT SYSTEM CONSTITUTES
  CONSENT TO MONITORING FOR LAW ENFORCEMENT AND OTHER PURPOSES.

  login: 00000
  Password: password
  Last login: Sun Aug 13 10:58:58 from computername
          ----------------------------------------------------------
                  F O R   O F F I C I A L   U S E   O N L Y

                          #     #####    ####
                          #     #   #   #
                          #     #   #   ####
                          #     #####       #
                          #     #   #   #   #
                          #     #   #    ####


                      U.S. Government computer

              F O R   O F F I C I A L   U S E   O N L Y
          -------------------------------------------------------

                  MAIN MENU

                  1) Logoff
                  2) Receive/Send File(s)
                  3) Change File Transfer Protocol [ZMODEM]
                  4) Change Compression Method [NONE]

              Enter your choice:  2
```
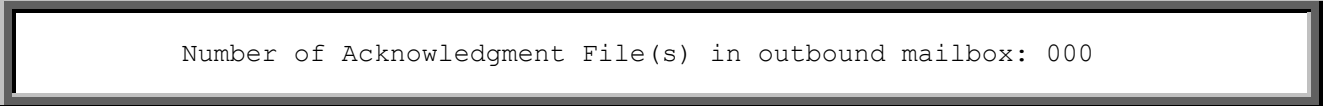
Figure 32. IMF TP Session to Pick Up Acknowledgments and
Transmit a Tax Return File.

.01   **IRS Front-end Processing Subsystem (FEPS) continued**

```
         Number of Acknowledgment File(s) in outbound mailbox: 003

         Are you ready to receive files? Y/[N]: Y

         EFS ready for modem download.

         Acknowledgment File(s) transmission complete.

         Do you want to send a file? Y/[N]: Y

         Enter an upload command to your modem program now.

         Transmission file has been received with the following GTX Key:

         Z20011020123423.1700                    10200001

             MAIN MENU

             1) Logoff
             2) Receive/Send File(s)
             3) Change File Transfer Protocol [ZMODEM]
             4) Change Compression Method [NONE]

          Enter your choice:  1

          DISCONNECTING FROM EFS.
```

Figure 32 (cont). IMF TP Session to Pick Up Acknowledgments
and Transmit a Tax Return File.

Section 1 - Data Communications

.01 **IRS Front-end Processing Subsystem (FEPS) continued**

9. **Global Transaction (GTX) Key Format**

   a. Global Transaction (GTX) Key example: SYYYYMMDDhhmmss.xxxx.

```
S     = Processing Site Identifier
YYYY  = Year, Year, Year, Year
MM    = Month, Month
DD        = Day, Day
hh        = hour, hour
mm    = minute, minute
ss        = second, second
xxxx  = milliseconds
```

   b. The Global Transaction (GTX) key is the file name on the UNIX FEPS machines and can also be used by the Help Desk Staff to research the status of a transmission. However, the **Acknowledgment Reference File Name is MMDDnnnn followed by an extension as shown below**.

10. **Acknowledgment File Name Formats**

   The format of the Acknowledgment Reference Name is MMDDnnnn where MM month and DD day match the GTX Key. The nnnn number is a 4-digit sequence number generated by the **FEPS**. The Reference Name is used to generate the Acknowledgment File Name.

   The **FEPS** acknowledgment files will be named as described in **Figure 33**.

Form and Format	ACK Ref. File Name (Note 1)	ACK Ref. File Name w/ GZIP (Note 2)	ACK Ref. File Name w/ COMPRESS (Note 3)
1040/ETD – Proprietary (TRANA/TRANB/RECAP)			
FEPS Error Acknowledgment	MMDDnnnn.NAK	MMDDnnnn.GZ	MMDDnnnn.Z
Unisys Acknowledgment	MMDDnnnn.ACK	MMDDnnnn.GZ	MMDDnnnn.Z

Figure 33. ACK File Names for **Kermit, Ymodem Batch, and Zmodem protocols.** |

Note 1: MM   = month
           DD   = day
           Nnnn = 4 digit sequence number

           MMDD is taken from the GTX Key

           nnnn is a 4-digit sequence number generated by the FEPS at the time the TP submitted the file.

Note 2: GZIP will preserve the uncompressed ACK file name (e.g., MMDDnnnn.ACK) in its archive.

.01 IRS Front-end Processing Subsystem (FEPS) continued

Note 3: COMPRESS does not preserve the uncompressed ACK file name.

If a transmitter submits a file that is given the GTX Key
"Z20011020154710.0800", the first four digits of the **Acknowledgment
Reference File Name** would be "1020". The next four digits would be a
sequence number generated by the FEPS, e.g., "0001". The **Acknowledgment
Reference File Name**, derived from the date and the Trading Partner DataBase,
would then be "10200001". An **FEPS Communications Error Acknowledgment
File** would be named "10200001.NAK". A UNISYS Acknowledgment File would be
named "10200001.ACK".

If the Acknowledgment File were compressed with **GZIP**, it would be named
"10200001.GZ".

If the Acknowledgment File is compressed with Unix **COMPRESS**, it would
be named "10200001.Z".

**If the ack files are concatenated, then they will be named as shown in
Figure 34.** |

Protocol	Uncompressed Name	ACK Ref. File Name w/GZIP	ACK Ref. File Name w/UNIX COMPRESS
Ymodem G	CATmmss.ACK	CATmmss.GZ	CATmmss.Z
FTP	CATmmss.ACK	CATmmss.GZ	CATmmss.Z
Xmodem (all versions)	File is named by TP software	File is named by TP software	File is named by TP software

Figure 34. File Names for Concatenated Acknowledgment Files
for FTP, Ymodem G, and Xmodem protocols. |

Note 4: mmss   = 2-digit minutes and 2-digit seconds.

The minutes and seconds are taken from the time at which the **concatenated
file** is created.

If Acknowledgment Files were concatenated at 5 minutes and 20 seconds after
the hour, the resulting file would be named "CAT0520.ACK".

If the file were **compressed using GZIP**, it would be named "CAT0520.GZ".

If the file were **compressed using Unix COMPRESS**, the file would be named
"CAT0520.Z".

Note 5: The Acknowledgment File names shown in these figures use upper case
         letters. These are the names as they appear on the IRS system.
         **Some file transfer protocols and/or some operating systems may
         translate the names into lower case.**

Section 1 - Data Communications

02. **Receiving the Acknowledgement File**

 1. The Acknowledgment File identifies which returns have been
     accepted, rejected, or identified as duplicates.

 2. Each file of electronic returns transmitted to the Service will
     normally be acknowledged within two workdays of receipt. **Be aware:
     depending on the file transfer protocol, multiple Acknowledgment
     Files can be concatenated within a transmission.**

 3. If the Acknowledgment File is not received within two workdays, or
     if acknowledgments are received for returns that were not transmitted
     on the designated transmission, immediately contact the Electronic
     Filing Unit Help Desk at the appropriate service center for assistance.

 4. The transmitter should match the Acknowledgment File back to the
     original file transmitted by using the IRS-assigned file name, either
     the 20 character GTX key or the Acknowledgment Reference File Name.
     **The Acknowledgment Reference File Name is a combination of "MMDD"
     and a 4-digit sequence number plus ACK or NAK file extension.**

     **Note: "MM" represents month and "DD" represents day of the
     transmission. The 4-digit sequence number is stored in and assigned
     by the FEPS. Transmitters Profile DataBase and is incremented each
     time a transmission file is received by the FEPS.**

     *Any electronically transmitted return or **Electronic Tax Document (ETD)**
     that is not accepted by the Service has NOT been accepted for processing,
     and must be resubmitted and acknowledged as accepted before it is
     considered filed.*

 5.   The FEPS will supply the GTX key and Acknowledgment Reference File
         Name (MMDDnnnn) to the transmitter at the end of the transmission
         confirmation message as shown below:

     Transmission file has been received with the following GTX Key:

         Z20011020123423.1700   10200022

     In this example the GTX key is the 20-character date time stamp and
     the Acknowledgment Reference File Name is to the right of it. The
     GTX key uses the following format:

         SYYYYMMDDhhmmss.xxxx|

         S   = System ID
         YYYY   = year
         MM   = month
         DD   = Day
         hh   = hour
         mm   = minute
         ss   = second
         xxxx   = milliseconds

     For the Acknowledgment File Reference name, "1020022" represents 10th
     month, 20th day, transmission sequence number 22 for that day for that
     Trading Partner.

.02   **Receiving the Acknowledgement File (continued)**

   6.   When a return **or an ETD or a Transmission** has been rejected after
         three attempts, contact the appropriate service center's Electronic
         Filing Unit Help Desk for assistance.

   7.   NOTE: If using FTP, XMODEM or YMODEM G protocol, up to 50
         **Acknowledgment Files are concatenated within a single acknowledgment
         transmission.** The receiver must **look for each RECAP** record to
         separate each Acknowledgment File.

   8.   **NOTE:** If using **YMODEM-Batch**, the FEPS sends up to 50 Acknowledgment
         Files as **separate** files within the transmission. Block zero ("0")
         identifies the filename. Data are transmitted starting in Block
         one ("1") up to Block 255 and then the block number rolls to Block 0.
         The last block for the file is padded with "Ctrl Z" characters. The
         next transmission packet should be the EOT character. If there is
         another file, the next block, Block 0 will contain the next filename.
         Otherwise a Block 0 without a filename will be followed by the EOT
         character.

   9.   NOTE: If using ZMODEM, **up to 50** Acknowledgment Files are sent
         separately within the **Acknowledgment** Transmission, with "zfile" and |
         "eof" in between each file, with a "zfin" at the end of all files.

  10.   For Communication Error Messages, see Section 1.0**4** on Communications
         Error Messages.

  11.   For information on how to read the Acknowledgement File, see
         Section 3.01.

  12.   For information on how to batch return transmission files and match
         them with ACK files, see Section 3.04.

Section 1 - Data Communications

.03 Transmitting Returns

1. All transmission-**related** records are validated separately prior to |
validation of forms and schedules. **If there are errors with the
transmission, the FEPS will reject the file and return a Communication
Error Ack. Any file in the TP outbound mailbox must be picked up by
the TP before additional transmissions can be sent.**

2. Immediately after receiving the ACK File(s), if there are any, the
transmitter may transmit a file with the required records in the
following sequence:

   a. <u>Transmitter records</u>: TRANA and TRANB. These records identify the
   transmitter.

   b. <u>Tax Return or Electronic Tax Documents (ETDs) records</u>: See Part II
   Record Layouts for exact identifications for the return (RET),
   schedules (SCH), forms (FRM), statements (STM), state records (ST),
   and summary record (SUM).

   See Part III Record Layouts for ETDs.

   c. <u>RECAP record</u>: The RECAP summarizes the transmission and is similar
   to the "trailer" of a file.

   After completing a transmission, the TP may select Receive/Send
   from the main menu to send another transmission.

   **NOTE: BEGINNING IN 2001, TRANSMISSIONS ARE NOT VALIDATED DURING
   RECEIPT OF THE FILE. <u>ONLY AFTER</u> THE MESSAGE, "Transmission has
   been received with the following GTX Key:…", WILL THE ENTIRE
   TRANSMISSION BE VALIDATED. WHEN THE FIRST TRANSMISSION ERROR IS
   ENCOUNTERED, THE FEPS WILL DISCONTINUE VALIDATION AND GENERATE THE
   APPROPRIATE ERROR MESSAGE IN A COMMUNICATION ERROR ACKNOWLEDGEMENT
   FILE. IT IS RECOMMENDED THAT THE TRANSMITTER RE-VALIDATE THE ENTIRE
   FILE BEFORE RE-TRANSMITTING CORRECTIONS TO ALLEVIATE SUBSEQUENT
   COMMUNICATION ERRORS, WHICH WILL GENERATE ADDITIONAL COMMUNICATION
   ERROR ACKNOWLEDGMENT FILE(S).**

 3. See Section 1.04 Communication Error Message for a list of all Data
 Communication Validation and Error Messages.

Section 1 - Data Communications

.04   Communication Error Messages

Below are the Communications Error Messages that will be transmitted
from the Electronic Management System (Front-End Processing Subsystem
(FEPS)) in a Communications Error Acknowledgment File, upon detection
of a transmission validation error.

1. **"NO TRANA RECORD RECEIVED"** -- The FEPS will reject the transmission
    when the first record byte count and end-of-record indicator (#) do
    not agree, or record sentinel (****) is not present, or "TRANA" is
    not in columns 9-14, or byte count is >120 characters or is not
    numeric, or <CR> or <LF> is imbedded within the record.

2. **"NO TRANB RECORD RECEIVED"** -- The FEPS will reject the transmission
    when the second record byte count and end-of-record indicator (#) do
    not agree, or record sentinel (****) is not present, or "TRANB " is
    not in columns 9-14, or byte count is >120 characters or is not
    numeric, or <CR> or <LF> is imbedded within the record.

3. **"NO RECAP RECORD RECEIVED; POSSIBLY DUE TO A LINE PROBLEM"** -- The
    FEPS will reject the transmission when the last record byte count
    and end-of-record indicator (#) do not agree, or record sentinel
    (****) is not present, or "RECAP" is not in columns 9-14, or byte
    count is > 120 characters or is not numeric, or <CR> or <LF> is
    embedded within the record.

4. **"LOGON ETIN AND ETIN IN THE TRANA RECORD WERE DIFFERENT"** -- The FEPS
    will reject the transmission when the ETIN in columns 84-88 of the
    TRANA record does not match the login ETIN.

5. **"INVALID PROCESSING SITE DESIGNATOR. A=CINCINNATI, B=OGDEN, C=ANDOVER,
    D=MEMPHIS, E=AUSTIN"** -- The FEPS will reject the transmission when
    the letter code for Site Designator in column 75 of the TRANA record
    is not equal to one of the alphabetic codes, OR when the actual
    processing site or alternate site code does not agree with the Site
    Designator in the TRANA record.

6. **"INVALID TRANA: WRONG LENGTH OR EMBEDDED #"** -- The FEPS will reject
    the transmission when the byte count of the first record is less than
    120 and the end-of- record indicator (#) agrees with the byte count.

7. **"INVALID TRANB: WRONG LENGTH OR EMBEDDED #"** -- The FEPS will reject
    the transmission when the byte count of the second record is less
    than 120 and the terminus character (#) agrees with the byte count.

8. **"INVALID RECAP: WRONG LENGTH OR EMBEDDED #"** -- The FEPS will reject
    the transmission when the byte count of the last record is **not equal
    to** 120 and the terminus character (#) agrees with the byte count.

9. **"MULTIPLE TRANA/TRANB RECORDS DETECTED"** -- The FEPS will reject the
    transmission when multiple TRANA or TRANB or RECAP records are found
    within a file.

.04 **Communication Error Messages (continued)**

10. **"INVALID PRODUCTION-TEST CODE – P = PRODUCTION, T = TEST"** –- The FEPS will reject the transmission when Test/Production indicator in column 117 of the TRANA record does not equal 'T' or 'P'.

11. **"PRODUCTION-TEST CODE IN TRANA RECORD DOES NOT MATCH PROFILE"** -- The FEPS will reject the transmission when the Production/Test indicator in column 117 of the TRANA record does not match the production/test mode in the Trading Partner profile.

12. **"INVALID TOTAL RETURN COUNT IN RECAP RECORD" --** The FEPS will reject the entire transmission and generate this Error ACK message when the number of tax returns counted does not match the Total Return Count in columns 29-34 of the RECAP record.

13. **"INVALID JULIAN DAY IN THE TRANA RECORD"** –- The FEPS will reject the transmission when the Julian day in columns 91-93 of the TRANA record is more than two days prior to the actual receipt Julian day or more than one day after the actual receipt Julian day.

14. **"INVALID TRANSMISSION TYPE CODE" --** The FEPS will reject the transmission when the Trading Partner's transmission type code specified in column 118 of the TRANA record is not valid. Valid codes must equal one of the following codes:

    " " (blank)   = regular 1040 Electronic Filing
    "D"   = ETD
    "O"   = Online Filing

15. **"INVALID TOTAL FORM COUNT IN RECAP"** –- The FEPS will reject the entire transmission and generate an Error ACK file with the message if the number of ETD forms counted does not match the Total Form Count in columns 29-34 of the RECAP record.

16. **"INVALID FORM FORMAT BEGINNING AT RECORD n" –** For ETD transmissions, the FEPS will reject the entire transmission when a form does not begin with a FRM record (valid Record ID, Form Number and Page Number fields) or does not end with a summary record. In addition, the form record must contain a numeric TIN that matches the TIN in the summary record.

17. **"INVALID TAX RETURN FORMAT BEGINNING AT RECORD n" --**The FEPS will reject the entire transmission Error Ack message after the first occurrence of this validation error. For return transmissions, the FEPS will validate that every return begins with a tax return record (valid Record ID, Return type and Page number fields) and ends with a summary record. In addition, the tax return record must contain a numeric TIN that matches the TIN in the summary record. If an error is encountered, no further validation will take place after this first error is encountered.

.04 **Communication Error Messages (continued)**

18. **"NO RETURNS WITHIN THE TRANSMISSION"** -- The FEPS will reject the entire transmission when there are no returns within a transmission.

19. **"NO FORMS WITHIN THE TRANSMISSION"** -- The FEPS will reject the entire transmission when there are no ETD forms within a transmission.

20. **"INVALID RECORD FORMAT IN RECORD NUMBER XXX"** -- The FEPS will reject the entire transmission when the number of bytes in a record that the Trading Partner indicates does not equal the number counted by the FEPS, **starting with the TRANA record.** The byte count begins with the 4-digit byte count followed by the 4 asterisks (****) in the record sentinel, the data, followed by the record terminus.

21. **"TRANSMITTER NOT VALID FOR TRANSMISSION TYPE"** -- The FEPS will reject the transmission when the Trading Partner profile in the TPDB does not allow the Transmission Type specified in column 118 of the TRANA record.

22. **"ADDITIONAL TAX DATA AFTER RECAP"** -- The FEPS will reject the transmission when data exists after the RECAP record.

23. **"SESSION ABNORMALLY TERMINATED; WAIT FOR IRS TO DISCONNECT"** -- The FEPS deleted the transmission from the Trading Partner's mailbox and did not process it when the FEPS detects that the Trading Partner disconnected during transmission or after submitting a transmission, but before the GTX key is displayed.

Section 1 – Data Communications

.05 Problem Transmission

1. When the transmitter disconnected during a transmission, or when
    the FEPS detected a transmission format error, the FEPS will send
    a Communications Error Acknowledgment (ACK) File, which indicates
    why the transmission was not processed.

2. The Communications Error ACK File will be sent any time a
    transmission level error is detected, whether or not other
    acknowledgment records are ready to be picked up. A Communications
    Error ACK File will NOT be sent if the transmitter only picks up
    acknowledgment files, and then selects logoff to disconnect the line.

3. **Unless using Zmodem, Dial-up Transmitters should not transmit more
    than 500 electronic returns per transmission because if disconnected,
    the long distance charges to retransmit could be costly.** If the
    transmitter is not using file compression, fixed format data will
    take a longer amount of time to transmit than variable format data.
    If more than 500 returns are ready to be transmitted via dial-up,
    they should be sent in subsequent transmissions.

    **NOTE: If using ZMODEM with Checkpoint/Restart, a Dial-up filer may
    file up to 10,000 returns per transmission.**

    **If a transmitter is using one of the high-speed transfer protocols,
    up to 10,000 returns may be filed per transmission.**

4. The FEPS supports **ZMODEM Checkpoint/Restart**. To utilize this
    feature, the transmitter's communication package's ZMODEM setting
    for "Crash Recovery" should be set to **"ON"**. If a transmission is
    aborted, the FEPS stores the partially transmitted file under the
    file name used by the transmitter in the ZMODEM protocol. If the
    next time the transmitter logs on and attempts to send the same
    previously named file, after receiving ACK Files, the FEPS will
    resume receiving the rest of the file. However, if on the next
    session, the transmitter attempts to send a new file, the previous
    partially received file will not be processed. In such a case, the
    transmitter will have to retransmit the whole file. **For any other
    protocol**, **aborted transmissions must be <u>restarted</u>** from the beginning
    since there are no checkpoint/restart capabilities.

5. Layout of Communications Error Acknowledgment File

    a. Each Communication Error Acknowledgment File will have a sequence
       number assigned and the file will be sent to the transmitter in the
       order of the error.

       Example: A transmitter's first transmission was successful, but
       the second one was aborted because of line noise. The first ACK
       File would be a regular one regarding acceptance/rejection of the
       returns within the transmission, followed by a Communications Error
       ACK File regarding the aborted transmission. Since the first
       transmission was sent on to the UNISYS for processing, the
       Acknowledgment for this file will be returned to the Trading
       Partner at a later time than the Communication Error ACK was
       returned.

.05   Problem Transmission (continued)

b. The layout of the Communications Error Acknowledgment File is below:

0120****TRANA9blanksTHIS IS A COMMUNICATIONS ERROR ACKNOWLEDGMENT FILE47blanks#

The TRANA portion of the file is a total of **72** characters followed by **47** blanks and the pound sign (#) in the 120th position.

0120****TRANB TRANSMISSION MMDDnnnn ON MM/DD/YYYY, HH:MM:SS WAS UNSUCCESSFUL DUE TO THE FOLLOWING CONDITION:

The TRANB portion of the file is followed by blanks and a pound sign (#) in the 120th position.

```
    MM      = Month Month
    DD      = Dav Dav
    nnnn    = Transmission Sequence Number for that day.
```

0120****ACK

The ACK portion of the file containing one of the above Communication Error messages appears here, followed by blanks and a pound sign (#) in the 120th position.

0120****RECAP

The RECAP portion of the file is followed by 106 blanks and the pound sign (#) in the 120th position.

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Section 2 – Transmission File Format

.01 General Description

1. All transmission data must be in ASCII format. No binary fields
   may be transmitted.

2. A transmission session will normally consist of three parts:

   a. First, the communications link must be established using
      acceptable protocol.

   b. Next, the transmitter will receive the acknowledgment
      transmission containing information about the previous
      transmission session, **if an acknowledgment file exists**.

   c. Then, the return record transmission may commence. The return
      record transmission will consist of 1) a series of logical records,
      beginning with the TRANA record, 2) some number of logical return
      records, and 3) a RECAP Record.

      **CAUTION: Dial-up filers not using ZMODEM with Checkpoint/Restart
      should not file more than 500 returns per transmission because if
      the line is disconnected, they will incur long distance charges for
      the initial partial transmission and the subsequent re-transmission.
      Dial-up filers using Zmodem with Checkpoint/Restart can file a
      maximum of 10,000 returns per transmission (Return Sequence Numbers
      0000 – 9999). Dedicated leased line filers can file a maximum of
      10,000 returns per transmission.**

3. All return records must be in ascending order by Declaration Control
   Number (DCN) and Return Sequence Number (RSN).

4. Two four-byte fields (the Record Control Information) must precede
   each record within a transmission. The first four-byte field is a
   record Byte Count that will contain a count of the number of bytes
   within the logical record including the four bytes for the counter
   itself, four bytes for the Start of Record Sentinel (****), and one
   byte for the Record Terminus Character (#). The second four-byte
   field will be the Start of Record Sentinel, which must be four
   asterisks (****).

5. Every record must have the Record Terminus Character (#) as its last
   significant byte.

   Note: that provisions have been made to allow for **non-significant
   padding** to exist following the Record Terminus Character, i.e., CR
   or LF may be added after the Record Terminus Character to fill up a
   physical block size. This is permitted to accommodate all the
   different computer systems being used to transmit data.

6. The first records on a transmitted file, the TRANA and TRANB Records,
   contain information regarding the transmitter and file format. The tax
   return records should follow these records.

Section 2 – Transmission File Format

.01   General Description (continued)

7.   The end of the logical transmission is signaled by the literal "RECAP". It is followed by the RECAP Record data and ends with the Record Terminus Character (#).

8.   The TRANA, TRANB and RECAP records are fixed-length records of 120 bytes each. Any non-significant field should be blank-filled.

9.   A tax return will consist of a variable number of fixed length or variable length records. The size and format of the logical record for each page of each schedule, form, etc., are specified in Part II Record Layouts. See Section 2 for file formats.

10. Each logical record should contain all data fields pertaining to one printed page of an official schedule or form, including the Form Payment, Authentication, Preparer Note, Election Explanation and Regulatory Explanation records, or to a line of a Statement Record. Therefore, the logical record contains an entire schedule or form, or a logical part (i.e., PG01 or PG02) of a schedule or form, or line of a Statement Record. See Section 8 for Statement Record information.

11. Each complete tax return must consist of all logical records pertaining to it in the following sequence:

        Form 1040/1040A/1040EZ Page 1
        Form 1040/1040A Page 2
        Schedules in alphabetical order or in Attachment Sequence Number
          order as preprinted on the official IRS form
        Forms in numerical order or in Attachment Sequence Number order as
          preprinted on the official IRS form
        (Forms W-2, W-2G, and 1099-R should precede other forms, and Form
          Payment should follow other forms)
        Authentication Record
        Statement Records
        Preparer Notes
        Election Explanations
        Regulatory Explanations
        State Records
        Summary Record

12. Schedule, Form, Statement, Preparer Note, Election Explanation and Regulatory Records can contain additional sequential Page Records if the record consists of more than one printed page. (Pages are only numbered within a schedule, form, or statement record, not across the return). All records must appear in the order above with the proper control information. The counts of the schedules and forms must match the counts in the Summary Record or the return will be rejected.

13. The file should be unlabeled (no standard header or trailer records).

14. Each file must contain only complete returns.

Section 2 – Transmission File Format

.01   General Description (continued)

15.   The page should not be generated if there are no entries on a page
      record of a schedule or form. A blank page (Record ID Group only)
      will cause the return to be rejected, except in cases where multiple
      forms require that one page be present when the other page is present.

16.   The first logical record of a tax return (i.e., Page 1 of the
      Form 1040/1040A/1040EZ) will contain the Record Control Information
      and Tax Return Record Identification (ID) Group, followed by the
      Return Sequence Number (RSN) and the Declaration Control Number (DCN).
      The Record ID Group includes the Record ID, Return Type, Page Number,
      Taxpayer Identification Number, and Tax Period.

   a. The Return Sequence Number (RSN) is a unique 16-digit number assigned
      by the transmitter to each return within a return transmission. The
      RSN includes the <u>transmitter's</u> Electronic Transmitter Identification
      Number (ETIN).   The RSN consists of the following fields:

      (1) Electronic Transmitter Identification Number (ETIN) of the
          transmitter (5 numeric characters)
      (2) Transmitter Use Field, the value of which is determined by
          the transmitting electronic filer (2 numeric characters)
      (3) Julian Day of Transmission (3 numeric characters)
      (4) Transmission Sequence Number for the given Julian Day
          (2 numeric characters (0**0**-99)) |
      (5) Sequence Number assigned to the return (4 numeric characters
          (0000-9999)

   b. The DCN is a 14-digit number assigned by the electronic filer to
      each return within a return transmission. The DCN must contain
      the Electronic Filer Identification Number (EFIN) of the electronic
      filer that originated the electronic submission of the return, even
      if the transmitter assigns the DCN as a service to the electronic
      return preparer. The DCN consists of the following fields:

      (1) Always "00" (2 numeric characters)
      (2) Electronic Filer Identification Number (EFIN) of the
          electronic filer (6 numeric characters)
      (3) Batch Number (3 numeric characters (000-999))
      (4) Serial Number (2 numeric characters (00-99))
      (5) Year Digit (1 numeric character)

      NOTE: When using variable format, begin bracketing field numbers
      on Page 1 of the tax return beginning with the RSN [0007].

<u>**Section 2 – Transmission File Format**</u>

.02 <u>**Fixed and Variable Length Options**</u>

There are two options available for transmitting logical tax return records: fixed length (fixed format) and variable length (variable format). (The Transmitter Records TRANA, TRANB, and RECAP Record are not tax return records.)

See Section 5 for requirements related to specific field descriptions and types of characters.

1. **Fixed Length Option (Fixed Format)**

The fixed length option requires the complete tax return to be transmitted exactly as defined in Part II Record Layouts. All fields must be present. If a field contains no data, it must be blank-filled or zero-filled. An "F" in the Record Type (SEQ 100) of the TRANS Record A (TRANA) indicates fixed-length option.

When the fixed length option is used, the following data field conventions must be followed:

a. <u>Alphanumeric Fields - Fixed Format</u>

   (1) Left-justify the field with trailing blanks.

   (2) When a "literal" is included in the field description, enter the literal value, left-justified, exactly as specified in Part II Record Layouts. Trailing blanks must be entered.

      NOTE: The trailing blanks are not shown in the Record Layouts.

b. <u>Numeric Fields - Fixed Format</u>

   (1) Unsigned numeric fields: Right-justify with leading zeros.

   (2) Signed numeric fields (money amounts): Right-justify with leading zeros, reserving the right-most position for the Sign. A blank (" ") indicates a gain and a minus sign ("-") indicates a loss.

   (3) Signed numeric fields that can also contain literal values: Enter signed numeric fields as described above. When entering a literal value, left-justify and blank-fill the field.

c. <u>Preparer Note, Election Explanation and Regulatory Explanation Records</u>

   If less than 4,000 characters of data is present for one of these records, it is permissible to enter the Terminus Character immediately following the last significant character when filing in fixed format. If you choose to do this, be sure to adjust the byte count accordingly.

Section 2 – Transmission File Format

.02 Fixed and Variable Length Options (continued)

2. Variable Length Option (Variable Format)

The variable length option provides for the transmission of only control information, including the record ID group, significant data fields, and significant data within individual fields. Indicate the variable length option by entering a "V" in the Record Type (SEQ 100) of the TRANS Record A (TRANA).

When the variable length option is used, the following data field conventions must be followed:

a. Alphanumeric Fields - Variable Format

    (1) Left-justify data in the field. Do not enter leading blanks. Trailing blanks are dropped.

    (2) When a "literal" is included in the field description, enter the literal value, left-justified, exactly as specified in Part II Record Layouts. Only the value of the literal (including embedded blanks) must be entered. Trailing blanks are dropped.

b. Numeric Fields - Variable Format

    (1) Unsigned numeric fields: In most cases, leading zeros may be dropped.

        Leading zeros cannot be dropped from the following:

            Date fields, Ratio (percentage) fields, Business Code field of Schedules C/C-EZ;
            Agricultural Activity Code field of Schedule F;
            Two-digit value of the Post of Duty field of Forms 2555/2555EZ;
            "Type of Use" fields of Form 4136.

    (2) Signed numeric fields (money amounts): Leading zeros are dropped. For a positive value, the trailing blank that indicates a gain is dropped. For a negative value in a field that can contain either a gain or a loss, the minus sign ("-") must be entered in the last position of the signed numeric field.

    (3) Signed numeric fields that can also contain literal values: Enter signed numeric fields as described above. When entering a literal value, left-justify the field; it is not necessary to enter trailing blanks.

.02 **Fixed and Variable Length Options (continued)**

   c. Tax Form, Schedule, and Form Records - Variable Format

      When transmitting in variable format, each Tax Form (Form
      1040/1040A/1040EZ), Schedule, and Form Record will begin with
      the Record Control Information (Byte Count and Start of Record
      Sentinel fields) in the same fixed format shown in the record
      layouts. The Record Control Information is followed by the Record
      ID Group. Following the Record ID Group are the data fields. Each
      data field is preceded by the applicable Field Sequence Number,
      which is enclosed by square bracket field delimiters, "["and"]"
      The Field Sequence Number is a 4-position number. However, it is
      permissible to drop the first zero when bracketing the field
      sequence number. A minimum of three positions must be present.
      For example, you can use [0010] of [010] for Primary SSN of Page 1
      of the Tax Return record. The Record Terminus Character (#) follows
      the the last data field in the record.

      Example:
      nnnn****RECORD ID GROUP [1st field sequence number]DATA…[next
      field sequence number]DATA...# ("nnnn" is the record byte count)

      NOTE: THE FOLLOWING THREE CHARACTERS "**[**" , "**]**", and "**#**" ARE
      RESERVED AS DELIMITERS AND CANNOT APPEAR AS DATA CHARACTERS.
      See Section 5 for information about types of characters in
      electronically filed returns.

   d. Preparer Note, Election Explanation and Regulatory Explanation
      Records

      If fewer than 4000 characters of data are present for one of
      these records, the terminus character can be entered immediately
      following the last significant character.

   e. State Records - Variable Format

      See Section 12 for file format specifications for Federal/State
      Electronic Filing.

   f. Statement and Summary Records - Variable Format

      All data fields of the Statement and Summary Records must be
      formatted as fixed length fields. If a field contains no data,
      it must be blank-filled or zero-filled, as appropriate.

      When transmitting in variable format, each Statement and Summary
      Record will begin with the Record Control Information (Byte Count
      and Start of Record Sentinel fields) in the same fixed format shown
      in the Part II Record Layouts. This is followed by the Record ID
      Group, the data fields formatted as fixed length fields, and the
      Record Terminus Character (#).

      See Section 8 for Statement Record information.

Section 2 – Transmission File Format

.02 Fixed and Variable Length Options (continued)

3. **Examples of Fixed and Variable Formats**

   a. Tax Form Record (Form 1040) - Variable Format

```
---------1--------2--------3-------4-------5----------6
0444****RET   1040  PG01 111001111  200012  [007]509280136201
0001[008]00510070001003[010]111001111[030]111002222[050]DIV
E[060]DEEPE C<DIVER[080]3333 QUACK BLVD[083]SEAPORT[087]CA[
095]90012[110]X[130]3[140]CORAL DIVER[160]X[167]1[360]01[37
5]20302[600]20302[750]20302#0176****RET   1040  PG02 111001
111 200012  [770]20302[789]2500[800]17802[810]1950[820]15852
[1030]2511[1130]2511[1160]4401[1250]4401[1260]1890[1270]129
0[1280]600[1323]SWIMMER#
```

   b. Tax Form Record (Form 1040EZ) – Variable Format

```
-------1--------2--------3-------4-------5----------6
0263****RET  1040Z PG01 111001111  200012  [007]509280136201
0001[008] 00510070001003[010]111001111[030]111002222[050]DIV
E[060]DEEPE C<DIVER[080]3333 QUACK BLVD[083]SEAPORT[087]CA[
095]90012[110]X[375]20302[750]20302[820]15852[1160]4401[126
0]1890[1270]1290[1280]600[1323]SWIMMER#
```

   c. Schedule Record - Fixed Format

```
---------1--------2-------3-------4-------5----------6
0308****SCH CZ1040  PG01 111001111 0000001DEEP C DIVERbbbbb
bbbbbbbbbbbbbbbbbbb111001111BAKERYbbbbbbbbbbbbbbb000612FLOWER
 BAKERYbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbb987654321555 BOTANIC
AL BLVDbbbbbbbbbbbbbbbbbbbbGARDEN CITY NJ 07011bbbbbbbbbbX0000
0012000 00000002000 00000010000 12121996001000000000000000X
        X X X #
```

   d. Schedule Record – Variable Format

```
---------1--------2------3------4---------5----------6
0183****SCH  A1040  PG01 222002222 0000001[090]2900[100]797
[130]PERSONAL PROPERTY[135]800[140]800[150]4497[160]14000[2
90]1000[350]400[360]14000[380]3500[395]600[410]4100[520]229
97#
```

   e. Form Record - Fixed Format

```
---------1--------2------3-------4--------5----------6
0118****FRM   3903  PG01 111001111 0000001bbbbbbbbbbbbbbb0000
 0010000 00000000000 00000010000 00000006000 00000004000 #
```

   f. Form Record - Variable Format

```
---------1--------2------3-------4--------5----------6
0082****FRM   3903  PG01 222002222 0000001[040]10000[044]10
000[052]6000[180]4000#
```

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Section 3 – Acknowledgment File Format

.01 Acknowledgment File Components

1. Every transmission will be acknowledged by the return of an
    Acknowledgment File (ACK File) to the transmitter. The Acknowledgment
    File will be available from the IRS service center to the transmitter
    within <u>two workdays</u> from the original transmission. The Acknowledgment
    File must be retrieved before sending a return file transmission.

2. If the entire transmission is rejected **by the Unisys programs**, the
    ACK File will contain the following:

    a. The original transmitter records (TRANA and TRANB).

    b. One ACK Record Set consisting of an ACK Key Record with a "T" in
       the Acceptance Code field and one ACK Error Record containing a
       maximum of 15 transmission reject errors related to this transmission.

    c. The Acknowledgment Recap Record (ACK Recap Record) with Fields **070**
       through **120** zero-filled.

3. If the <u>transmission is accepted</u>, the ACK File will contain the following:

    a. The original TRANA and TRANB sent by the transmitter with Field 180
       of the TRANA record updated with an IRS entry indicating the
       (<u>Front-End Processing Subsystem</u>/Central Processing Unit) FEPS/CPU
       Designator.

    b. Next, an Acknowledgment Record (ACK Record Set) is sent for each
       recognizable return transmitted.

    c. Next, the Acknowledgment Recap Record (ACK Recap Record), which is
       the original RECAP Record updated with counts of the Total Accepted
       Returns, Total Duplicated Returns, Total Rejected Returns, Total
       Duplicated EFT, IRS Computed EFT Count, and IRS Computed Return Count.

    d. And finally, the FEPS-generated Acknowledgment File Name containing
       the GTX Key (Field 140 in the ACK Recap Record).

4. The acknowledgment of an individual return is the ACK Record Set. An
    ACK Record Set consists of one ACK Key Record for an accepted return,
    or one ACK Key Record followed by up to **96** ACK Error Records for a
    rejected return.

    a. The ACK Key Record contains information to identify the
        return it represents, plus a field to indicate how many
        (if any) ACK Error Records follow. See Section 3.02.1 for
        the values of the Acceptance Code field of the ACK Key Record
        and Section 12.08 for the State Packet acknowledgment format.

    b. If present, each ACK Error Record will contain data defining
        the Error Form Record Type, Error Form Record Number, the Error
        Form Occurrence for multiple occurrences of schedules or forms,
        the Error Field Sequence Number, and the Error Reject Code
        describing the specific error encountered.

.01 **Acknowledgment File Components (continued)**

5. An "A" in the Acceptance Code field of an ACK Key Record indicates that the associated tax return has been accepted as a filed tax return and will be processed in the same manner as a return originally submitted on a paper document. <u>This does not imply that the return will pass all IRS validity checks or post to the IRS Master File without delays.</u>

6. A "D" in the Acceptance Code field of an ACK Key Record indicates that the associated tax return has been identified as a duplicate return, i.e., a tax return record had previously been transmitted and accepted for that Social Security Number.

7. An "R" in the Acceptance Code field of an ACK Key Record indicates that the associated tax return has been rejected due to a fatal error involving the return format, internal consistency, or data errors in a key field. The error(s) must be corrected and the return resubmitted to the IRS to be considered a filed tax return.

8. A "T" in the Acceptance Code field of an ACK Key Record indicates that the entire transmission has been rejected.

9. A "D" in the Duplicate Code field of an ACK Key Record indicates that the DCN is a duplicate or zero.

10. A "P" in the Duplicate Code of an ACK Key Record indicates that the Primary SSN is a duplicate or zero.

11. An "S" in the Duplicate Code of an ACK Key Record indicates that the Spouse SSN is a duplicate or zero.

12. A "B" in the Debt Code of the ACK Key Record indicates that a debt was found on both the FMS and IRS files for this return.

13. An "F" in the Debt Code of the ACK Key Record indicates that a debt was found on the FMS File for this return.

14. An "I" in the Debt Code of the ACK Key Record indicates that a debt was found on the IRS File for this return.

15. An "N in the Debt Code of the ACK Key Record indicates that no debt was found on either the FMS or IRS Files.

16. A "0" in the **Pin Presence** Identification indicates that **no PIN is present on the return. Form 8453 or Form 8453-OL is required.**

17. A "1" in the **Pin Presence** Identification indicates that **Practitioner PIN is present on the return.**

18. A "2" in the **Pin Presence** Identification indicates that **Self-Select PIN by Practitioner is present on the return**.

.01   Acknowledgment File Components (continued)

19.   A "**3**" in the **Pin Presence** Identification indicates that **Self-Select PIN On-Line is present on the return**.

20.   A " " (blank) in the **Pin Presence** Identification indicates that **return rejected with PIN**. Up to 96 ACK Error Record(s) may be furnished to the electronic filer, one for each three-position Error Reject Code. Filers should use these Error Reject Codes to determine the source of the error causing the return (or transmission) to be rejected. If more than the maximum number of reject conditions are identified, the last reject code will be **"999"**.

21.   The Error Reject Codes and references to validation criteria related to the error conditions are listed in Attachment 1. Filers should use this information to resolve reject conditions. When a condition cannot be resolved with the information provided, the filer should contact the Electronic Filing Unit at the applicable service center for assistance.

Section 3 – Acknowledgment File Format

.02 Acknowledgment File Record Layouts

1. <u>ACK KEY Record</u> - Acknowledgment File Key Record

Field No.	Identification	Form Ref.	Length	Field Description
	Byte Count		4	"0120"
	Start of Record Sentinel		4	Value "****"
0000	Record ID		6	Value "ACKbbb"
0010	Filler		2	Blank
0020	Taxpayer Identification Number		9	N (Primary SSN)
0030	Return Sequence Number		16	Numeric ETIN (5), Transmitter's Use Code (2), Julian Day (3), Trans Seq Num (2), Seq Num for Return(4)
0040	Expected Refund or Balance Due		12	Refund or Balance Due from Applicable Return
0050	Acceptance Code		1	"A" = Accepted "R" = Rejected "D" = Duplicated Return "T" = Transmission Rejected
0060	Duplicate Code		3	"D" = Duplicate DCN or zero "P" = Duplicate Primary SSN or zero "S" = Duplicate Spouse SSN or zero
0065	PIN Presence Indicator		1	"0" = No PIN 8453 or 8453-OL Required "1" = Practitioner PIN "2" = Self-Select PIN by Practioner Used "3" = Self-Select PIN On-Line Used Blank = Rejected Return
0070	EFT Code		1	Blank

.02   Acknowledgment File Record Layouts (continued)

   1.   ACK KEY Record (continued)

Field No.	Identification	Form Ref.	Length	Field Description
0080	Date Accepted		8	DT Format = YYYYMMDD
0090	Return DCN		14	N
0100	Number of Error Records		2	N Range 00-96
0110	Filler		13	Reserved
0115	Payment Acknowledgement Literal		15	"PYMNT RQST RVCD" or blank
0117	Date of Birth Validity Code		1	"0" = DOB Validation Not Required "1" = All DOB(s) Valid "2" = Primary DOB Mismatch "3" = Spouse DOB Mismatch "4" = Both DOB(s) Mismatch
0118	**Filler**		**2**	**blank** |
0119	**State-Only Code**		**2**	**"SO"** |
0120	Debt Code		1	"N" = None "I" = IRS Debt "F" = FMS Debt "B" = IRS and FMS debt or blank
0130	State Packet Code		2	blank or valid state code
	Record Terminus Character		1	Value "#"

.02 Acknowledgment File Record Layouts (continued)

2. ACK ERR Record - Acknowledgment File Error Record

Field No.	Identification	Form Ref.	Length	Field Description
	Byte Count		4	"0120"
	Start of Record Sentinel		4	Value "****"
0000	Record ID		6	Value "ACKRbb"
0010	Taxpayer Identification Number		9	N (Primary SSN) (Must match ACK Key Record)
0020	Reserved		7	Blank
0030	Error Record Sequence Number		2	N, 01-96
0040	Error Form Record ID		6	AN
0050	Error Form Record Type		6	AN
0060	Error Form Page Number		5	"PG00b" (page number is "00" (zero) for all IMF ACK ERR records)
0070	Error Form Occurrence		7	N (0000001-000050)
0080	Error Field Sequence Number		4	N
0090	Error Reject Code		3	N (nnn) (Refer to Attachment 1)
0100	Filler		56	blank
	Record Terminus Character		1	Value "#"

.02 **Acknowledgment File Record Layouts** (continued)

3. ACK RECAP Record - Acknowledgement File Recap Record

Field Identification No.	Form Ref.	Length	Field Description
Byte Count		4	"0120"
Start of Record Sentinel		4	Value "****"
0000 Record ID		6	"RECAPb"
0010 Filler		8	Blank
0020 Total EFT Count		6	N
0030 Total Return Count		6	N, Range = (000001 999999)
0040 Electronic Transmitter Identification Number (ETIN)		7	N (includes Transmitter's Use Code)
0050 Julian Day of Transmission		3	N (Must be the same as on the TRANA record)
0060 Transmission Sequence		2	N
0070 Total Accepted Returns		6	IRS USE ONLY
0080 Total Duplicated Returns		6	IRS USE ONLY
0090 Total Rejected Returns		6	IRS USE ONLY
0100 Total Duplicated EFT		6	IRS USE ONLY
0110 IRS Computed EFT Count		6	IRS USE ONLY
0120 IRS Computed Return Count		6	IRS USE ONLY
0130 Total State-Only Return Count		**6**	**N Range = (000001 | 999999) |**
0135 Total Accepted State-Only Returns		**6**	**N Range = (000001 | 999999) |**
0137 Filler		**5**	**Blank |**
0140 Acknowledgment File Name (GTX Key)		20	AN
Record Terminus Character		1	Value "#"

.02 **Acknowledgment File Record Layouts (continued)**

3. ACK RECAP Record - Acknowledgement File Recap Record (continued)

    NOTE: Fields 0000 and 0020-0060 are identical to those in the original RECAP Record.

                  Fields 0110 and 0120 are computed by IRS.

                  Fields 0000 and 0020-0060 are identical to those in the original RECAP Record.

                  Fields 0070, 0080, 0090, 0100, 0110, 0120, and 0140 are computed by IRS.

Section 3 – Acknowledgment File Format

.03 Examples of ACK Records

1. Example of Accepted Refund Return:

```
---------1---------2---------3---------4---------5---------6--------7--------8
0120****TRANAb123456789EFILEbINCbbbbbbbbbbbbbbbbbbbbbbbbbbbbPREPARER'SAGENTbD200102
01199990003201AV729999bbbbbbbbbbbbbbbPbE#0120****TRANBb1234567893131bDEMOCRATbRDbbb
bbbbbbbbbbbbbbbbbbMEMPHISbTNbb38110bbbbbbbbbbbbbbbbbbbb9011234567bbbbbbbbbbbbbbbbbb#
0120****ACKbbbbb4444444441999900032010695000000000365+A000Yb02012001007299990069410
00000000000680bbbbbbbbbbbbbbbbbbbbbbbNbb#0120****RECAPbbbbbbbbbb000070000671999900003
20100003500000000000320000000000007000067bbbbbbbbbbbbbbbbbbbE20011125101553.0100#
```

2. Example of Rejected Refund Return:

```
---------1---------2---------3----------4--------5---------6--------7--------8
0120****TRANAb123456789EFILEbINCbbbbbbbbbbbbbbbbbbbbbbbbbbbbPREPARER'SbAGENTB200102
01199990003201AV729999bbbbbbbbbbbbbbbPbe#0120****TRANBb1234567893131bDEMOCRATbRDbb
bbbbbbbbbbbbbbbbbbMEMPHISbTNbb38100bbbbbbbbbbbbbbbbbbbb9011234567bbbbbbbbbbbbbbbbbb#01
20****ACKbbbbb4444444441999900032010696000000000326+R000bb020120010072999900695102
0000000000690bbbbbbbbbbbbbbbbbbbbbbbbbb#0120****ACKRbb444444444bbbbbbbb01FRMbbb1116bbP
G00b000001400000030bbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbb#0120*
***ACKRbb444444444bbbbbbbb02FRMbbb1116bbPG00b000000000000045bbbbbbbbbbbbbbbbbbbbbbbb
bbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbb#0120****RECAPbbbbbbbbbb00007000067199990003201000
0035000000000003200000000000700006bbbbbbbbbbbbbbbbbbbE20011123111015.0200#
```

3. Example of Rejected Transmission:

```
---------1---------2---------3----------4--------5---------6--------7--------8
0120****TRANAb123456789EFILEbINCbbbbbbbbbbbbbbbbbbbbbbbbbbbbPREPARER'SbAGENTD200102
01199990003201AV729999bbbbbbbbbbbbbbbPbA#0120****TRANBb1234567893131bDEMOCRATbRDbbb
bbbbbbbbbbbbbbbbbbMEMPHISbTNbb38100bbbbbbbbbbbbbbbbbbbb9011234567bbbbbbbbbbbbbbbbbb#012
0****ACKbbbbb000000000000000000000000000000000000000000T0000000000000000000000000010
0000000000000000000000000000000#0120****ACKRbb000000000bbbbbbbb84000000000000000
000000000000000000000000000000000000000#0120***
*RECAPbbbbbbbbbb0000700006719999000320100000000000000000000000007000067bbbbbb
bbbbbbbbbbbbA20010110200001.0100#
```

Note: If more than one transmission reject code is applicable, the additional
reject codes will be placed in Field 0100. The maximum number of 15
transmission reject codes can be present.

4. Example of Accepted Refund Return with State Packet Attached:

```
---------1---------2---------3---------4---------5---------6---------7---------8
0120****TRANAb123456789EFILEbINCbbbbbbbbbbbbbbbbbbbbbbbbbbbbPREPARER'SAGENTbD200102
01199990003201AV729999bbbbbbbbbbbbbbbPbB#0120****TRANBb1234567893131bDEMOCRATbRDbbb
bbbbbbbbbbbbbbbbbbMEMPHISbTNbb38110bbbbbbbbbbbbbbbbbbbb9011234567bbbbbbbbbbbbbbbbbb#012
0****ACKbbbbb4444444441999900032010695000000000365+A000Yb02012001007299990069410000
000000000680bbbbbbbbbbbbbbbbbbbbbbbNSC#0120****RECAPbbbbbbbbbb00007000067199990003201
0000035000000000003200000000000070000676bbbbbbbbbbbbbbbbbbbB20010110200101.0700#
```

Section 3 – Acknowledgment File Format

.04   **How to Batch and Match Returns with Acknowledgment Files**

1.   File Names

   The following information is provided to filers who may not be
   aware of how to batch their returns and match them up later with
   Acknowledgment Files. Because filers request to "re-hang"
   Acknowledgment Files so frequently, it may be that their software
   is not reading and storing properly the ACK File Name(s) that appear
   within the ACK File Transmission. **The ACK File Name is generated
   by the Front-End Processing Subsystem (FEPS) as a 20 byte GTX Key
   and passed onto the UNISYS with the return file. After UNISYS
   processing, this ACK File Name is returned with the ACK file in
   the RECAP record. When the ACK file is returned to the Transmitter,
   it is renamed to a DOS 8.3 byte format called the ACK Reference
   File Name with an extension. The name contains the same month
   and day from the GTX Key, a 4 digit sequence number assigned by
   the FEPS for that transmission, followed by the extension. See
   Figure 33 for an explanation of the extension.**

 How to Batch Returns

   Returns are to be transmitted, using the following specifications
   from the latest version of the Electronic Return File Specifications
   and Record Layouts.

   a. In Part II, **Section 1,** the record layout for the TRANA, the first
      record in any transmission, indicates where the return file batch
      information is to be entered.

   b. In Field 060, the 5 digit ELECTRONIC TRANSMITTER IDENTIFICATION
      NUMBER (ETIN) assigned by the IRS, is entered. This is followed
      by TRANSMITTER'S USE CODE, 2 digits of the transmitter's choice to
      specify the type of returns (some transmitters use this field to
      identify which office or branch it belongs to or if it is a RAL
      return, etc.). It can also be left blank or zero filled.

   c. In Field 070, the 3 digit JULIAN DAY (001-365) follows.
      Field 080 is composed of 2 digit TRANSMISSION SEQUENCE NO (00-99)
      for the above Julian Day.

   d. In Part II, **Section 2,** the record layout for the TAX RETURN RECORD
      for page 1 of either the Form 1040, 1040A, or 1040EZ, indicates
      where the RETURN SEQUENCE NUMBER is entered, which is used for each
      return within the batch identified in the TRANA record above.

.04   How to Batch and Match Returns with Acknowledgment Files (continued)

   e. Field 007, the 16 digit RETURN SEQUENCE NUMBER (RSN), is composed
      of the following sub-fields:

      a. ETIN of Transmitter   5n = Field 060 of the TRANA
      b. TRANSMITTER'S USE FIELD   2n = Field 060 of the TRANA
      c. JULIAN DAY
          OF TRANSMISSION   3n = Field 070 of the TRANA
      d. TRANSMISSION SEQUENCE NUMBER   2n = Field 080 of the TRANA
                                                (0**0**-99) |
      e. SEQUENCE NO. OF EACH RETURN   4n = 0000-9999

 NOTE: Dial-up filers using ZMODEM with Checkpoint/Restart can file
       more than 500 returns per transmission with a maximum of <u>10,000</u>.
       Dedicated leased line filers can file a maximum of <u>10,000</u> returns.

   f.   In Field 008, the 14 digit DECLARATION CONTROL NUMBER (DCN), that
         is also used on the corresponding Form 8453 signature document, is
         composed of the following sub-fields:

      a. Always 00   2n = 00
      b. EFIN of ERO   6n = (Assigned to ERO by IRS)
      c. Batch Number of EROs returns   3n = 000-999
      d. Serial Number of return in batch 2n = 00-99
      e. Year   1n = (ending digit of tax year)

   g. In Part II, p. 497, the record layout appears for the RECAP record,
      which ends a transmission.

   h. In Field 040, the ETIN and TRANSMITTER'S USE CODE must equal the
      same one in Field 060 of the TRANA.

   i. In Field 050, the JULIAN DAY must equal the JULIAN DAY in
      Field 070 of the TRANA.

   j. In Field 060, the TRANSMISSION SEQUENCE NUMBER must equal Field 080
      of the TRANA.

 2. Assignment of File Name by FEPS

   a. After transmitting a file, the system indicates that it was
      successfully received with the message: "**Transmission file has
      been received with the following GTX Key:**

             Syyymmddhhmmss.xxxx   mmddnnnn "

      The Global Transaction (GTX) key is a series of unique numbers
      identifying the system that received it and day/time information.
      After the GTX key, the system generates a unique file name for
      the transmission that will be used as part of the Acknowledgment
      Reference File Name returned to the transmitter. The GTX Key is
      placed in field 0140 of the Acknowledgment File ACK RECAP Record.
      Transmissions and acknowledgments can be matched using the 20
      character GTX Key, the ETIN, and/or the ACK Reference File Name.

Section 3 – Acknowledgment File Format

.04   How to Batch and Match Returns with Acknowledgment Files

      b. The Acknowledgment Reference File Name consists of the 4-digit numerical representation of the transmission month and day (MMDD) followed by a 4-digit sequence number for the transmissions received to date for that transmitter (0000-9999). The Acknowledgment Reference File Name will be part of the file name returned to the transmitter.

CAUTION: After receiving transmission 9,999, the system begins to number again with 0000 or the next available sequence number after 0000. Therefore, if large transmitters do not pick up ACK files within a few days, they may see this number repeated and not be able to identify which batch is which, or their software may overwrite a previous ACK file in their directory on their PC. If a Transmitter files more than 10,000 batches per ETIN in a day, they should request another ETIN.

.04 How to Batch and Match Returns with Acknowledgment Files (continued)

  3. Receiving, Locating, Storing, and Matching ACK Files

      a. In Part I, **Section 3.01**, the Acknowledgment File format appears.
          It is composed of the original TRANA and TRANB received from the
          Transmitter, followed by the ACK KEY Record, ACK ERR Record(s) as
          applicable, and the ACK RECAP record.

      b. In Part I, **Section 2.02**, the ACK KEY RECORD is outlined.

          (1) Field 030 contains the RETURN SEQUENCE NUMBER (RSN) as
               submitted by the Transmitter in Field 007 of page 1, 1040,
               1040A, 1040EZ.

          (2) Field 090 contains the return Declaration Control Number (DCN),
               as submitted by the Transmitter in Field 000, page 1, 1040,
               1040A, or 1040EZ.

      c. In Part I, **Section 2.02**, the ACK RECAP is outlined.

          (1) Field 040 contains the ETIN plus TRANSMITTER'S USE CODE as in
               the original transmitter's RECAP.

          (2) Field 050 contains the JULIAN DAY OF TRANSMISSION as in the
               original transmitter's RECAP.

          (3) Field 060 contains the TRANSMISSION SEQUENCE NUMBER FOR JULIAN
               DAY in Field 050, as in the original transmitter's RECAP.

          (4) Field 140 contains the ACKNOWLEDGMENT FILE NAME, which was
               generated by the FEPS in the **"Transmission file has been
               received with the following GTX Key"** message. (Software
               developers/transmitters must program to wait for this message
               and should store the File Name for comparison with the ACK File
               transmission when received.)

      d. In summary, the transmitter and ERO have numerous ways of matching
          up their batches of return files they transmitted with the ACK
          files they receive. The way ACK Files are transmitted back to the
          transmitter depends on the file transfer protocol the transmitter
          is using to pick them up. If transmitters do not write their
          software to parse out the individual ACK files that may be sent in
          one big transmission, they will not realize they have received more
          than one ACK File. Refer to Part I, Section 1.02.

.04 How to Batch and Match Returns with Acknowledgment Files

   e. CAUTION:

(1) If using FTP, XMODEM-CRC, XMODEM Checksum, XMODEM-1k, or YMODEM-G protocol, up to 50 <u>ACK files are concatenated within a single transmission</u>. The transmitter must look for each RECAP record to find each ACK file. The filer's software should do this automatically to store each ACK file in a separate directory.

(2) If using YMODEM-Batch, up to 50 <u>Acknowledgment Files are sent as separate files within the transmission.</u> Block zero ("0") identifies the filename. Data is transmitted starting in Block one ("1") up to Block "255" and then rolls to Block "0". The last block for the file is padded with "Ctrl Z" characters. The next transmission packet should be the End of Transmission (EOT) character (ASCII – "cntl d"). If there is another file, the next block, Block "0" will contain the next filename. Otherwise a Block "0" without a filename will be followed by the EOT character.

(3) If using ZMODEM, up to 50 <u>Acknowledgment Files are sent</u> as <u>separate files within the transmission</u>, with "zfile" and "eof" in <u>between each file</u>, with a "zfin" at the end of all files. Filer's software should read for the "zfile" and "eof" and store the file under the IRS File Name in the directory for each ACK File within the ACK transmission. The Front-End Processing System is set to overwrite when sending ACK Files.

(4) Sometimes transmitters will use a different protocol if they are having problems with one. **Transmitter's software must be flexible to handle the above rules when various file transfer protocols might be used in order to parse their individual ACK files properly for correct storage in their directories.** Otherwise, transmitters may not realize they have received more than one ACK file and store multiples under one of the ACK File Names.

   f. ETD Batching and Matching

   The ETD batching and Acknowledgment File processing follow the same patterns as 1040 returns.

Section 4 – Types of Records

.01 Transmitter Records

See Part II Record Layouts for the exact formats of the Trans Record "A" (TRANA), Trans Record "B" (TRANB), and RECAP Record.

   1. TRANA and TRANB Records*

       The first two records of a transmitted file are the Transmitter Records TRANA and TRANB. These records contain data entered by the transmitter. (The "transmitter" is defined as the firm transmitting directly to the IRS.)

   2. RECAP Record

       The RECAP Record follows the Tax Return Records and is the final record of a transmitted file. The RECAP Record provides balancing counts for the tax returns contained in the transmitted file.

.02 Tax Return Records

See Part II Record Layouts for the exact formats of individual records listed below. All records within a tax return should appear in the order listed in Part II, Record Layouts or in the order of the Attachment Sequence Number preprinted on the corresponding paper form. (Refer to Section 2.01, Item 13.)

All "total" fields must have a significant entry when there are amounts leading to the total. Any "total" field that has a significant entry must have at least one significant amount leading to that total. Otherwise, processing of the tax return will be delayed to resolve the discrepancy.

1. Tax Form Record

    Each tax return must begin with the Tax Form Record, which consists of Form 1040 Page 1 and Form 1040 Page 2, or Form 1040A Page 1 and Form 1040A Page 2, or Form 1040EZ Page 1.

2. Schedule and Form Records

    Some schedules and forms consist of multiple pages. Each page of a multiple-page schedule or form is a separate record within the tax return.

    Multiple occurrences of certain schedules and forms are permitted. Refer to Attachment 10 for a list of the maximum number of schedules and forms permitted in an electronically filed tax return. When there are multiple occurrences of schedules or forms, the Page Number must be sequential within the Form/Schedule Occurrence Number of the schedule or within the Form Occurrence Number of a form.

.02 **Tax Return Records (continued)**

    a. Instructions for Multiple Occurrences of Schedules C and C-EZ:

       Schedule C and Schedule C-EZ are separate schedule types. The Form/Schedule Occurrence Number in the Record ID must be incremented starting with "0000001" for each schedule type. For example, if a joint return contains four Schedules C for the primary taxpayer and one Schedule C-EZ for the secondary taxpayer, the first Schedule C will contain "0000001" in the Form/Schedule Occurrence Number, the second Schedule C will contain "0000002" in the Form/Schedule Occurrence Number, etc. The Form/Schedule Occurrence Number for the Schedule C-EZ will contain "0000001". If this format is not followed, the return may be rejected or the refund delayed.

       The number of Schedules C plus the number of Schedules C-EZ cannot exceed a total of five. When five Schedules C are transmitted, no Schedule C-EZ can be transmitted. When a Schedule C-EZ is transmitted for a taxpayer, no Schedule C can be transmitted for the same taxpayer.

    b. The "Form Payment" record is considered to be a form, although there is no equivalent paper form.

3. **Foreign Employer Compensation (FEC) Record**

    The FEC RECORD is required information to support entries to Line 7, Forms 1040 and 1040A, and Line 1, Form 1040EZ, for compensation received from non-U.S. employers who do not have EIN's nor issue Forms W-2. The FEC RECORD must be completed when the Foreign Employer Compensation Literal, Field No. 0378 of the Tax Form indicates "FEC". A maximum of 10 FEC RECORD's are permitted. The total of Foreign Employer Compensation Amount(s) from Field No. 0220 of the FEC RECORD(s) is reported in the Foreign Employer Compensation Total, Field No. 0379, of Forms 1040, 1040A, and 1040EZ. The appropriate address fields, U.S. or Foreign, must be completed on the FEC RECORD to identify the location at which the wage-recipient resided when the services for the Foreign Employer were performed. If the services for the Foreign Employer were performed in the U.S., enter numeric value "00" (not shown in the POD Code Table) for the Post of Duty Code Field No. 0130

4. Authentication Record

    The Authentication (ATH) Record is used when the taxpayer(s) is filing an On-Line return and/or electing to use the Self-Select or Practitioner PIN (Personal Identification Number) for *e-file* signature option. Only one Authentication Record is permitted per tax return.

5. Statement Records

    Statement Records can only be used by the electronic filer when the number of data items exceeds the number that can be contained in the space provided on the printed schedule or form, or when the data must be provided on a separate continuation statement record, or when a statement of explanation is required for a specific condition.

    See Section 8 for Statement Record information.

.02 Tax Return Records (continued)

  6. STCGL/LTCGL Records |

     "STCGL" is the Short Term Capital Gain or Loss Record and "LTCGL" is |
     the Long Term Capital Gain or Loss Record. Each record is considered |
     a separate transaction. These transaction records are used when there |
     is a need to transmit five or more transactions with an electronically |
     filed return. (Use the Schedule D to report four or less for short term |
     and long term transactions.) Each Schedule D and/or F8865 occurrence |
     may have up to 5000 transaction records (i.e.,5000 short term and 5000 |
     long term). The "STCGL" and/or "LTCGL" transaction record must be |
     transmitted prior to the parent form (i.e., Sch. D or 8865). The |
     "STCGL" can be submitted without the "LTCGL" and vice versa. When the |
     "STCGL" or "LTCGL" transaction record is present, then "STCGL" or |
     "LTCGL" record CANNOT be blank. All "STCGL" and/or "LTCGL" transaction |
     records must be in the appropriate numerical order based on occurrence |
     number within subpart occurrence and each set must start with "0000001".|

  7. Preparer Note, Election Explanation and Regulatory Explanation Records

      a. Preparer Note (NTE) records can be used by the paid preparer,
         electronic return originator or taxpayer to provide additional,
         voluntary information related to the tax return but not required
         to be attached to it.

      b. Election Explanation (ELC) records are used when the taxpayer makes
         an election for certain tax treatment, status, exception or exemption
         based on an instruction for the tax form or in a related tax
         publication when there is no official IRS form designed for that
         purpose. The specific "election" must be cited followed by any
         explanatory or supporting information required. Multiple elections
         can be combined on one page record; separate page records can be used
         for each applicable election; and/or, multiple page records can be
         used for one election. The maximum number of ELC page records is 20.
         Enter the terminus character (#) after the last significant character
         in each ELC page record.

      c. Regulatory Explanation (REG) records are similar to Election
         Explanation records and are used when the taxpayer cites a specific
         regulation for certain tax treatment, status, exception or exemption
         when there is no official IRS form designed for that purpose. The
         specific "regulation" must be cited followed by any explanatory or
         supporting information required. Multiple regulatory explanations can
         be combined on one page record; separate page records can be used for
         each applicable regulation cited; and/or, multiple page records can be
         used for one regulatory explanation. The maximum number of REG page
         records is 20. Enter the terminus character (#) after the last
         significant character in each REG page record.

.02 Tax Return Records (continued)

8.   State Records

State Records include the Generic Record "STbbbb0001bb" and the
Unformatted Record "STbbbb0002bb". There can be only one Generic Record
for each return. There can be up to nine Unformatted Records for each
return. The Generic Record must be present and must precede any other
State Record.

See Section 12 for specifications and examples of the State Records.

  9. Summary Record

The Summary Record is the final record for each tax return. This record
contains electronic filer identification data, the counts for Form,
Schedule, Authentication, Statement, Preparer Note, Election Explanation,
and Regulatory Explanation Records included in the return, and the paper
document indicators. (A value of "1" in a paper document indicator field
shows that the paper document specified is a part of the return and has
been attached to the Form 8453.) It also contains the Electronic Postmark
fields, the IP (Internet Protocol) fields and the Software Identification
fields.

Section 5 – Types of Characters

This section identifies the types of characters that are valid for an electronically filed return. Although characters other than these may be entered by a taxpayer on the paper form, the invalid characters are not key entered to the electronically filed return.

THE FOLLOWING THREE CHARACTERS **"["** , **"]"**, and **"#"** ARE RESERVED AS DELIMITERS AND CANNOT APPEAR AS DATA CHARACTERS. The left ([) and right (]) brackets are used to enclose Field Sequence Numbers. The Pound Sign (#) (Record Terminus Character) is used to indicate the End of Record.

.01 **Allowable Characters**

1. Alpha (A)

    Upper case alpha characters only: A - Z

    Literal values - Enter exact character string from the Field Description in Part II Record Layouts.

2. Numeric (N)

    Numeric characters only: 0 - 9

    a. **MONEY AMOUNT** (N) (Signed Numeric) -

       Enter whole dollar amounts (do not enter cents).

       (1) Fixed format: 12 characters, right-justified with leading zeros; the right-most position is reserved for the sign. A blank ( ) indicates a gain and a minus sign (-) indicates a loss.

           Non-significant - Zero-fill the field, reserving the right-most position for the sign.

       (2) Variable format: Leading zeros are dropped. For a positive value, the trailing blank that indicates a gain is dropped. For a negative value in a field that can contain either a gain or a loss, the minus sign (-) must be present in the last position of the signed numeric field.

           Non-significant - Omit the field.

.01 Allowable Characters (continued)

b. **RATIO** (R) (percentage) - Left-justify and zero-fill for both fixed
    and variable formats. DO NOT ENTER A DECIMAL POINT. Other than the
    exception listed below, ratio fields contain six numeric characters
    with the decimal point assumed to be between the left-most and the
    second left-most positions. If less than 100%, precede with a zero.

Examples: 25.32% = 025320, 105% = 105000

  (1) EXCEPTION: "Rate" fields on Form 4136 equal six numeric characters.
      The decimal point is assumed to precede the left-most position.
      Transmit all six positions, left-justified and zero-filled.

Examples: Rate .183   = 183000
                 Rate .03967 = 039670
                 Rate .17   = 170000

  (4) EXCEPTION: "Rate" fields on Form 5471 equal ten numeric
      characters. Transmit all ten positions, left-justified and
      zero-filled. The decimal point is assumed to be between the
      third and fourth left most position.

      Examples: Rate .76 = 0007600000
                Rate 1.54 = 0154000000
                Rate 1   = 0010000000

c. **EIN** (Employer ID Number) (N), e.g., if no EIN is present on
    Schedule C or Schedule F - for fixed format, blanks should be
    entered; for variable format, the field should be omitted.

d. **ZIP CODE** (N) should be left-justified. For fixed format, if there
    are only five Zip Code characters, the seven remaining positions
    can be either blank-filled or zero-filled. For variable format,
    if there are only five Zip Code characters, transmit the five
    numeric characters.

e. **DATE** (DT) - M = Month, D = Day, Y = Year (YYYY, YYYYMM, YYYYMMDD,
    MMYYYY, MMDDYYYY); if date is not known or covers various dates,
    enter zeros unless otherwise specified in the record layout field
    description. Leading zeros cannot be dropped from date fields for
    both fixed and variable formats.

    If a date field is not defined as "DT" in Part II Record Layouts, then
    the Field Description will specify the required date format.

f. **OTHER UNSIGNED NUMERIC FIELDS** (N) -

  (1) Fixed format: Enter the numeric characters, right-justified and
      zero-filled.

      Non-significant - Blank-fill (unless otherwise specified in the
      Record Layout for that field).

.01   Allowable Characters (continued)

    (2) Variable format: For most unsigned numeric fields other than ratio,
         EIN, Zip Code, and date fields, leading zeros may be dropped.

         Leading zeros cannot be dropped from the Business Code field of
         Schedules C/C-EZ nor from the Agricultural Activity Code field of
         Schedule F. The leading zero cannot be dropped from the two-digit
         value of the Post of Duty field of Forms 2555/2555EZ nor from the
         "Type of Use" fields of Form 4136.

         Non-significant - Omit the field.

  3.   Alphanumeric (AN)

       Upper case alpha characters A - Z; numeric characters 0 - 9; and special
       characters in cases listed below.

       Literal values - Enter exact character string from Field Description in
       Part II Record Layouts.

       Non-significant - For fixed format, blank-fill; for variable format, omit
       the field.

       a. Special Characters - Only the following are permitted in certain
          cases: Ampersand (&); blank ( ), often shown in the record layouts
          as "b"; comma (,); hyphen (-); less-than (<); percent (%); plus (+);
          and slash (/).

       b. Special Symbols and their hexadecimal conversion characters for ASCII
          are below:

Symbol	ASCII Hex		Symbol	ASCII Hex
[	5B		-	2D
]	5D		&	26
#	23		/	2F
<	3C		%	25

Section 5 – Types of Characters

.02 Special Cases for Special Characters

1. Form 1040

   Name Line 1: A - Z; ampersand (&); blank ( ); hyphen (-); and
   less-than (<).

   Name Line 2: A - Z; 0 - 9; ampersand (&); blank ( ); hyphen (-);
   percent (%) for "in care of" address; and slash (/).

   Street Address: A - Z; 0 - 9; blank ( ); hyphen (-); and slash (/).

   City: At least three characters must be entered; A - Z; blank ( );
   APO/FPO - Refer to Attachment 4.

   State: A - Z - Refer to Attachment 3.

   Dependent Names: A - Z; blank ( ); and hyphen (-).

2. Form 5329

   Name of Person Subject to Penalty Tax: A - Z; blank ( ); hyphen (-);
   and less-than (<).

3. Form 8606

   Nondeductible IRA Name: A - Z; blank ( ); hyphen (-);
   and less-than (<).

4. Forms W-2/W-2G/1099-R   -|

   Employer Name: A - Z; 0 - 9; ampersand (&); comma (,); hyphen (-);
   plus (+); and slash (/).

   City/State/Zip: A - Z; 0 - 9; comma (,); and hyphen (-).

5. Foreign Employer/Payer Address on Forms W-2/W-2G/1099-R   -|

   Employer/Payer State: Period (.).

6. Employee, Recipient/Winners with Foreign Address on Form W-2/   -|
   W-2G/1099R

   Employee/Recipient/Winner State: Enter Period (.).

7. Other Schedules/Forms with Similar Fields

   Follow character set instructions for fields that most resemble those
   listed above.

8. Summary Record

   IP Address: 0-9, period (.) or blank ().

Section 6 – Criteria for Filer Front-End Checks

.01 Refund Delay Conditions

The following conditions may delay the refund and/or change the refund amount.

1. Taxpayer owes back taxes, either individual or business (refund offset).

2. Taxpayer owes delinquent child support (refund offset).

3. Taxpayer has certain delinquent federal debit, such as student loans, etc. (refund offset).

4. The last name and social security number of the primary taxpayer must be the same as on last year's return or the return will be delayed at least one week for rematching. It is **strongly** suggested that you use the name as it appears on the mailing label of the tax package.

5. The Estimated Tax payments reported on the return do not match the Estimated Tax payments recorded on the IRS Master File. This generally occurs when:

    a. The spouse made separate Estimated Tax payments and filed a joint return, or vice versa; or

    b. The return was filed before the last Estimated Tax payment was credited to the account.

6. The taxpayer has a Schedule E claiming a deduction for a questionable tax shelter.

7. The taxpayer is claiming a blatantly unallowable deduction.

8. The taxpayer is considered to be a first-time filer. A first-time filer is defined as an taxpayer who has not filed a tax return as a primary or secondary taxpayer during the previous ten years.

Section 6 - Criteria for Filer Front-End Checks

.02 <u>Optional Social Security Number Validation against Label</u>

Preparers may wish to make a computer check on the validity of the SSN's of those taxpayers who have IRS preprinted mailing labels to prevent data entry errors that would result in delayed refunds. The two alpha characters that appear on the IRS label are check digits that can be used to verify the SSN. Use the following formula to validate the transcription of the SSN when the taxpayer presents an IRS mailing label:

1. Generate the high order check digit by multiplying the specific digits by the appropriate weight multiple.

<u>Digit of the SSN</u>	<u>Times</u>	<u>Weight Multiple</u>
1st position (high order)	X	+1
2nd position	X	+2
3rd position	X	-4
4th position	X	+1
5th position	X	+2
6th position	X	-4
7th position	X	+1
8th position	X	+2
9th position	X	-4

2. Add the products to an accumulator. If the net result of the accumulation is within the range of 0 through -22, select the alphabetical equivalent from the alphabetic table below. If the net result is outside the range of the table, check the sign of the accumulation.

   If the sign is plus, subtract 23 from the result; if the sign is minus, add 23 to the result. Repeat this until the result is within the range of the table and select the alphabetic equivalent from the table for the high order position of the check digit.

.02 **Optional Social Security Number Validation against Label** (continued)

3. Generate the low order position of the check digit by multiplying the specific digits by the appropriate weight multiple.

Digit of the SSN	Times	Weight Multiple
1st position (low order)	X	+1
2nd position	X	-3
3rd position	X	+1
4th position	X	-3
5th position	X	+1
6th position	X	-3
7th position	X	+1
8th position	X	-3
9th position	X	+1

4. Add the products to an accumulator and repeat the calculation in "2" above to arrive at the low order position of the check digit.

5. Alphabetic Table

0 = A	-8 = K	-16 = T
-1 = B	-9 = L	-17 = U
-2 = C	-10 = N	-18 = V
-3 = D	-11 = O	-19 = W
-4 = F	-12 = P	-20 = X
-5 = H	-13 = Q	-21 = Y
-6 = I	-14 = R	-22 = Z
-7 = J	-15 = S	

Section 6 - Criteria for Filer Front-End Checks

.03 SSN Validation

Refer to **Attachment 8** for valid ranges of Social Security/Taxpayer Identification Numbers.

.04 Optional Validation of Routing Transit Number (RTN)

Verify the validity of the Routing Transit Number by computing the check digit, which is the ninth digit of the RTN. There may be instances in which the RTN is valid in format and equal to an actual number used by a financial institution, but is not yet on the Financial Management Organization Master File (FOMF). In these cases, the tax return would be rejected.

The steps are as follows:

1. Multiply each of the first eight digits of the RTN by the appropriate multiplier (the first digit multiplied by 3, the second by 7, the third by 1, the fourth by 3, the fifth by 7, the sixth by 1, the seventh by 3, and the eighth by 7).

2. Add all the products.

3. Subtract the sum of all the products from the next multiple of ten.

4. The remainder is the check digit, which must be equal to the ninth digit of the RTN.

    Note: If the sum of the products is evenly divisible by 10, the check digit is zero (0).

5. Example:

    If 120139013 were the RTN, verify the check digit as follows:

    a. Multiply each of the first eight digits, 12013901, by 37137137 respectively:

Routing Transit Number	1	2	0	1	3	9	0	1
Constant Multiplier	X3	X7	X1	X3	X7	X1	X3	X7
	3	14	0	3	21	9	0	7

    b. Add the products: 3 + 14 + 0 + 3 + 21 + 9 + 0 + 7 = 57

    c. Subtract the sum of all the products from the next multiple of ten: 60 - 57 = 3

    d. The remainder is the check digit: 3

    e. If the check digit does not equal the ninth digit of the RTN, verify that the first eight digits of the RTN were correctly entered from the source document and recompute if appropriate.

       Note: If the check digit does not match, the refund cannot be directly deposited.

Section 7 - Formats for Name Controls, Name Lines, and Addresses

The instructions in sub-sections 7.01 through 7.04 must be carefully followed to avoid delaying returns for error conditions. They must be included in electronic filers' programs as consistency tests and in the data entry instructions.

The Primary SSN, Primary Name Control, State Abbreviation, and Zip Code should be key verified to avoid lengthy delays caused by mismatches with existing taxpayer information in IRS records or by undeliverable refund checks.

.01 Name Controls for Individual Tax Returns

1. Primary Name Control (SEQ 050) of Form 1040/1040A/1040EZ must equal the first four significant characters of the primary taxpayer's last name. No leading or embedded spaces are allowed. The **first** left-most position must contain an alpha character. Only alpha, hyphen, and space are allowed. Omit punctuation marks, titles and suffixes.

    Spouse's Name Control (SEQ 055) of Form 1040/1040A/1040EZ, Dependent Name Control (SEQ 172, 182, 192, 202, 212) of Form 1040/1040A, Qualifying Child Name Control (SEQ 007, 077) of Schedule EIC, Parent Name Control (SEQ 045) of Form 8615, and Child Name Control (SEQ 015) of Form 8814 must meet the same criteria.

    Examples:

Individual Name	Primary Name Control
John Brown	BROW
John Di Angelo	DIAN
John En, Sr.	EN
John Lea-Smith	LEA-
Joe McCarty	MCCA
Mary Smith & John Jones	SMIT
John O'Neil	ONEI

2. Consider certain foreign suffixes as part of the last name (i.e., Armah-Bey, Paz-Ayala, Allar-Sid). Particular attention must be given to those names that incorporate a mother's maiden name as a suffix to the last name. This practice is common in names of Spanish extraction. Consider the mother's maiden name as part of the surname for Name Control purposes.

    Examples:

Individual Name	Primary Name Control
Abdullah Allar-Sid	ALLA
Jose Alvarado Nogales	ALVA
Juan de la Rosa Y Obregon	DELA
Pedro Paz-Ayala	PAZ-
Donald Vander Neut	VAND
Otto Von Wodtke	VONW

Section 7 - Formats for Name Controls, Name Lines, and Addresses

.01 **Name Controls for Individual Tax Returns (continued)**

3. Below are examples of Indo-Chinese last names and the derivative Name
    Control. Some Indo-Chinese names have only two characters. Indo-Chinese
    names often have a middle name of "Van" (male) or "Thi" (female).

    Examples:

Individual Name	Primary Name Control
Binh To La	LA
Kim Van Nguyen	NGUY
Nhat Thi Pham	PHAM
Jin-Zhang Qui & Yen-Yin Chiu	QUI

.02 **Name Line 1 Format**

1. Name Line 1 (SEQ 060) of Form 1040/1040A/1040EZ can have no leading or
    consecutive embedded spaces. The only characters allowed are alpha,
    ampersand (&), hyphen (-), less-than sign (<), and space. The left-most
    position must be alpha. The less-than sign replaces the intervening
    space to identify the primary taxpayer's last name. It cannot be
    preceded by or followed by a space.

2. All apostrophes (') and any other punctuation characters, except the
    hyphen (-), must be omitted from names and the alphabetic characters
    shifted to the left in their place (e.g., O'Shea = OSHEA).

3. Numeric characters in name components must be replaced by alphabetic
    Roman Numerals (e.g., Charles 3rd = CHARLES III).

4. When a suffix such as "JR" or "III" is part of the name, enter a
    less-than sign (<) between the suffix and the last name. Do not enter
    a space before or after any less-than sign; the less-than sign takes the
    place of a space.

    Titles such as "M.D." or "Ph. D.", which are not part of a give name, may
    be omitted.

5. Name Line 1 CANNOT CONTAIN MORE THAN 35 CHARACTERS.

    If information in Name Line 1 exceeds 35 characters, truncate using the
    following guidelines:

    a. Substitute the initial for the second given name.

    b. Omit initial of the second name if necessary.

    c. Substitute initials for the secondary taxpayer's given name.

    d. Substitute initials for the primary taxpayer's given name.

Section 7 - Formats for Name Controls, Name Lines, and Addresses

.02 **Name Line 1 Format** (continued)

6. Enter taxpayer names as follows:

   a. For <u>one taxpayer</u>: Enter first name, a space, middle name or middle
      initial, a less-than sign (<), last name. (The last name of the
      individual must be contained within this name line field.) If there
      is a suffix, enter a less-than sign (<) between the last name and the
      suffix.

   b. For <u>two taxpayers</u> with <u>same</u> last name: Joint returns <u>must</u> contain
      one ampersand (&) between taxpayers' first names. The taxpayer whose
      first name is associated with the Primary SSN used on the return must
      be entered first, and the last name of that taxpayer must be identified
      by a preceding less-than sign (<).

   c. For <u>two taxpayers</u> with <u>different</u> last names: If the spouse uses a
      different last name, enter the primary taxpayer's first and last names
      as above for one taxpayer's name, but after the last name, add another
      less-than sign (<) followed by an ampersand and the full name of the
      spouse. A maximum of two less-than signs are permitted. Any suffixes
      should follow the primary taxpayer's last name only.

      Examples:*   Enter as:

      John C. (Brown), III   JOHN C<BROWN<III
      John M. (Brown), M.D.   JOHN M<BROWN
      Henry A. (Carter)   HENRY A<CARTER
      Frank N. (De Porta)   FRANK N<DE PORTA
      Timothy (Jackson), 2nd   TIMOTHY<JACKSON<II
      Carl A. (Jones) & Angie Myer   CARL A<JONES<& ANGIE MYER
      Charles (Jones) & Diane D. Jones, M.D. CHARLES & DIANE D<JONES
      Florence E. (Jones) MD   FLORENCE E<JONES
      Alfred (Newman), Minor   ALFRED<NEWMAN<MINOR
      James R. (O'Donnell)   JAMES R<ODONNELL
      James (Oliver-Keogh), 3rd   JAMES<OLIVER-KEOGH<III
      Lillie B. (Owen-Smith)   LILLIE B<OWEN-SMITH
      J. B. (Smith) Jr. & Ann Trent   J B<SMITH<JR & ANN TRENT
      John A. (Smith), III & Ann Smith, M.D. JOHN A & ANN<SMITH<III
      John A. and Jane B. (Smith)   JOHN A & JANE B<SMITH

   * Parentheses indicate the last name of the taxpayer with Primary SSN.

Section 7 - Formats for Name Controls, Name Lines, and Addresses

.03 Street Address Format

1. The Street Address (SEQ 080) of Form 1040/1040A/1040EZ contains the house number and street, route number, post office box, or box number. Enter college, building, or post office branch as the address if no other mailing address is given. If there is no address information, the literal "NONE" must be entered in the Street Address field.

2. Do not use the "#" symbol, "No.", or "Number" as a prefix to an apartment, house, P.O. Box, or route.

3. Always add "ST", "ND", "RD", "TH" to a numbered street or avenue. Examples: 1 = 1ST; 2 = 2ND; 3 = 3RD, etc.

4. Enter one-half as 1/2 (no spaces).

5. Plurals for apartment, avenue, road, street, etc., are entered as APTS, AVES, RDS, STS, etc.

6. Replace a period with a space.

7. For military overseas addresses, enter the letters "APO" or "FPO" in the first three left-most positions of the City field. Refer to Attachment 4 for list of valid APO/FPO City/State/Zip Codes.

8. Words may be abbreviated unless the word is a proper name. Refer to Attachment 2 for list of acceptable abbreviations.

   Examples: Enter as:

   3 Ave.   3RD AVE
   Circle Drive   CIRCLE DR
   Lane Building   LANE BLDG
   Northeast Street   NORTHEAST ST
   South Court Street   S COURT ST
   Third Street   THIRD ST

Section 7 - Formats for Name Controls, Name Lines, and Addresses

.04 Name Line 2 Format

Name Line 2 (SEQ 070) of Form 1040/1040A/1040EZ is used for a street address that requires two lines or for an "in care of" address.

An "in care of" address must be indicated by a percent (%) character, followed by a space, followed by the name of the person who is in care of the delivery.

```
Example 1:   Mr. John Jones
             In care of Alice B. Smith
             801 Brown St.

Enter As:    JOHN JONES         (Primary First Name, Primary Last Name)
             % ALICE B SMITH    (Name Line 2)
             801 BROWN ST       (Street Address)
```

If two addresses are present, enter the actual mailing address in the Street Address field. Enter the post office box in the Street Address field only if the post office does not deliver mail to the street address. The remaining address should be entered in the Name Line 2 field. Do not enter a post office box in the Name Line 2 field.

```
Example 2:   Mr. John Jones
             80 Erie Street Apartment 5
             Great Lakes Resort

Enter As:    JOHN JONES         (Primary First Name, Primary Last Name)
             GREAT LAKES RESORT (Name Line 2)
             80 ERIE ST APT 5   (Street Address)


Example 3:   Mr. John Jones
             1 Lost Way
             P.O. Box 1502

Enter As:    JOHN JONES         (Primary First Name, Primary Last Name)
             1 LOST WAY         (Name Line 2)
             PO BOX 1502        (Street Address)


Example 4:   Mr. John Jones
             P.O. Box 150
             State University

Enter As:    JOHN JONES         (Primary First Name, Primary Last Name)
             STATE UNIVERSITY   (Name Line 2)
             PO BOX 150         (Street Address)
```

Section 7 - Formats for Name Controls, Name Lines, and Addresses

.05 **Business Name Controls for Forms W-2, W-2G, W-2GU, 1099-G, 1099-R,** |
    2441 and Schedule 2

The business Name Control consists of four alpha and/or numeric characters.
The ampersand (&) and hyphen (-) are the only special characters permitted in
the Name Control. The Name Control can have fewer than four characters.
Blanks may be present only as the last two positions of the Name Control.

  1. **Individuals (Sole Proprietorships)**

      Always use the first four characters of the individual's (sole
      proprietor's) last name.

      Examples:

Name Control Underlined	Name Control
Arthur P. Aspen	ASPE
Jane & Mark Hemlock The Sunshine Cafe	HEML
John and Mary Redwood	REDW

  2. **Estates**

      Always use the first four characters of the last name of decedent. The
      last name of the decedent may be followed by the word "Estate" in the
      first name line.

      Examples:

Name Control Underlined	Name Control
Estate of Jay Gold	GOLD
Homer J. Maroon Estate	MARO
Frank White Estate Alan Baker Exec.	WHIT

Section 7 - Formats for Name Controls, Name Lines, and Addresses

.05 **Business Name Controls for Forms W-2, W-2G, W-2GU, 1099-G, 1099-R,** |
2441 and **Schedule 2 (continued)**

3. **Partnerships**

Determine the Name Control using the following order of selection:

a. Derive the Name Control for partnership entities from the trade or
   business name of the partnership. Omit the word "The" when it is
   followed by more than one word. Include the word "The" when it is
   followed by only one word.

   Examples:

Name Control Underlined	Name Control
<u>Alab</u>aster Group B.J Fuschia, M.L. Magenta, & R. T . Indigo Ptrs.	ALAB
The <u>Gree</u>n Parrot	GREE
Harold J. Crimson & Bernard L. Ochre et at Ptr. <u>Howa</u>rd Azure Development Co.	HOWA
W.P Plum & H.N. Lavender dba <u>P & L P</u>ump Co.	P&LP
<u>Rose</u> Restaurant	ROSE
<u>The B</u>lues	THEB
<u>Viol</u>et Drywall Finishers William Wheat, Gen. Ptr	VIOL

b. If no trade or business name is present, derive the Name Control from
   the surname of the first listed partner.

   Examples:

Name Control Underlined	Name Control
<u>Burg</u>undy, Olive & Cobalt, Ptrs.	BURG
Bob <u>Oran</u>ge & Carol Black	ORAN
G.H. <u>Orch</u>id et al Ptrs.	ORCH
A.B., C.D., & E.F. <u>Turq</u>uoise	TURQ

.05 **Business Name Controls for Forms W-2, W-2G, W-2GU, 1099-G, 1099-R,** |
2441 and Schedule 2 (continued)

4. **Corporations**

a. Use the first four significant characters of the corporation name.

Examples:

Name Control Underlined	Name Control
11th Street Inc.	11TH
Falcon Field Plow Inc.	FALC
J.R. Oriole Inc.	JROR
P & P Company	P&PC
Purple Martin Ltd.	PURP
RS Corporation	RSCO
Whippoorwill Homeowners Assn.	WHIP
Y-Z Drive Co.	Y-ZD
ZZZ Club	ZZZC

b. When determining a corporate Name Control, omit the word "The" when it is followed by more than one word. Include the word "The" when it is followed by only one word.

Examples:

Name Control Underlined	Name Control
The Meadowlark Co.	MEAD
The Swan	THES

**.05 Business Name Controls for Forms W-2, W-2G, W-2GU, 1099-G, 1099-R, |
      2441 and Schedule 2 (continued)**

    c. If an individual name contains the following abbreviations, use
       corporate Name Control rules.

       SC - Small Corporation
       PA - Professional Association
       PC - Professional Corporation
       PS - Professional Service

       Examples:

Name Control Underlined	Name Control
Carl Sandpiper M.D.P.A.	CARL
John Waxwing PA	JOHN
Sam Sparrow SC	SAMS

    d. When the organization name contains the word "Fund" or "Foundation,"
       corporate rules still apply.

       Examples:

Name Control Underlined	Name Control
The Joseph Eagle Foundation	JOSE
Kathryn Canary Memorial Fdn.	KATH

    e. Corporate Name Control rules apply to local governmental organizations
       and to chapter names of national fraternal organizations.

       Examples:

Name Control Underlined	Name Control
City of Fort Hulsache Board of Commissioners	CITY
House Assn. Of Beta XI Chapter of Omicron Delta Kappa	HOUS
Rho Alpha Chapter Epsilon Alpha Tau Fraternity	RHOA
Waxwing County Employees Association	WAXW

Section 7 - Formats for Name Controls, Name Lines, and Addresses

**.05 Business Name Controls for Forms W-2, W-2G, W-2GU, 1099-G, 1099-R, |
        2441 and Schedule 2 (continued)**

  5. Trusts and Fiduciaries

  Derive the Name Control from the name of the trust, using the
  following order of selection:

  a. For individuals, use the first four characters of the last name.

     Examples:

Name Control Underlined	Name Control
Richard L. Aster Charitable Remainder Unitrust	ASTE
Testamentary Trust U/W Margaret Balsam Cynthia Ivy & Laura Iris	BALS
Donald C. Begonia Trust FBO Mary, Karen, & Michael Violet	BEGO
Jonathan Periwinkle Irrevocable Trust FBO Patrick Redwood Chestnut Bank TTEE	PERI

  b. For corporations, use the first four characters of the corporate name.

     Examples:

Name Control Underlined	Name Control
Daisy Corp. Employee Benefit Trust	DAIS
Marigold Association Charitable Lead Trust	MARI
Morningglory Church Endowment Trust John J. Waxbean, Trustee	MORN

**.05 Business Name Controls for Forms W-2, W-2G, W-2GU, 1099-G, 1099-R, |
      2441 and Schedule 2 (continued)**

     c. For numbered trusts and GNMA Pools, use the first digits of the trust
        number disregarding any leading zeros and/or trailing alpha characters.
        If there are fewer than four numbers, use the letters "GNMA" to
        complete the Name Control.

        Examples:

        <u>Name Control Underlined</u>   <u>Name Control</u>

        <u>GNMA</u> Pool No. 00<u>100</u>B   100G

        ABCD Trust No. 00<u>1036</u>,   1036
        Lotusbank TTEE

        Trust No. <u>1219</u>0, FBO Margaret Lily   1219

        00<u>20</u>, <u>GNMA</u> POOL   20GN

     d. If none of the above information is present, use the first four
        characters of the last name of the trustee (TTEE) or beneficiary (FBO).

        Examples:

        <u>Name Control Underlined</u>   <u>Name Control</u>

        Testamentary Trust   BLUE
        Edward <u>Blue</u>bell TTEE

        Trust FBO The <u>Cher</u>ryblossom Society   CHER

        Trust FBO Eugene <u>Euca</u>lyptus   EUCA

        Michael <u>Tuli</u>p Clifford Trust   TULI

        Note: "Clifford Trust" is the name of a type of trust.

**.05 Business Name Controls for Forms W-2, W-2G, W-2GU, 1099-G, 1099-R, |
      2441 and Schedule 2 (continued)**

  6. Other Organizations

   a. The only organization that will always be abbreviated is Parent
      Teachers Association (PTA). The Name Control is "PTA" plus the first
      letter of a State, whether or not the state name is present as part of
      the name of the organization.

      Examples:

      Name Control Underlined   Name Control

      Parent Teachers Association of   PTAC
      San Francisco

      Parent Teachers Association   PTAG
      Congress of Georgia

   b. If the business name contains an abbreviation other than "PTA," the
      Name Control is the first four characters of the abbreviated name.

      Examples:

      Name Control Underlined   Name Control

      A.I.S.D   AISD

      R.S.V.P. Post No.245   RSVP

   c. The Name Control is the first four characters of the national title.

      Examples:

      Name Control Underlined   Name Control

      Local 210 International Canary Assn. INTE

      Laborers Union, AFL-CIO   LABO

      Post 3120, Veterans of Space Wars   VETE
      of U.S. Dept. of Georgia

Section 7 - Formats for Name Controls, Name Lines, and Addresses

.05 Business Name Controls for Forms W-2, W-2G, W-2GU, 1099-G, 1099-R, |
2441 and Schedule 2 (continued)

    d. When an individual name and corporate name appear, the Name Control is
       the first four letters of the corporate name.

       Example:

Name Control Underlined	Name Control
Barbara J. Zinnia ZZ Grain Inc.	ZZGR

    e. For churches and their subordinates (i.e., nursing homes, hospitals),
       derive the Name Control from the legal name of the church.

       Examples:

Name Control Underlined	Name Control
St. Bernard's Methodist Church Bldg. Fund	STBE
Diocese of Kansas City St. Rose's Hospital	STRO
St. Silver's Church Diocese of Larkspur	STSI

Section 7 - Formats for Name Controls, Name Lines, and Addresses

.06 Foreign Employer/Payer Address on Forms W-2/W-2G/W-2GU/1099-R |

1. Employer/Payer Name Line 2: Foreign Street Address - If none, enter "NONE".

   Employer/Payer Address: Foreign city, province or postal code.

   Employer/Payer City: Foreign country name. Do not abbreviate the country name.

   Employer/Payer State: Period (.).

2. Employee, Recipient/Winners with Foreign Address on Form W-2/ W-2G/1099R

   Employee/Recipient/Winner Street Address: Foreign Street Address. If none, enter "NONE".

   Employee/Recipient/Winner Address Continuation: Foreign city, province or postal code

   Employee/Recipient/Winner City: Foreign Country Name. Do not abbreviate country name unless absolutely necessary.

   Employee/Recipient/Winner State: Enter Period (.).

<u>**Section 8 - Statement Records**</u>

.01 <u>**General Information**</u>

Statement Records are transmitted as part of the tax return and can only be used when the Field Description in the Record Layouts contains "STMbnn". Statement Records follow the Tax Form, Schedules, Forms and Authentication Records and precede the Preparer Note, Election Explanation, Regulatory Explanation, State and Summary Records.

The record layouts for Form 5471, Form 5713 and especially Form 8865 and associated schedules contain statement references identified as "Global". These statement fields are usually found at the end of the data for a page of the form, right before the Record Terminus character. These statements are to be used to enter any data for statements/attachments that are referenced on the form or in the form instructions but do not have their own separate "Statement" field within the record layout.

See Section 10.02 for Error Reject Codes pertaining to Statement Records.

See Part II Record Layouts for the fields that can contain "STMbnn" and to determine how the data fields should be formatted.

See Part II Record Layouts Section 5 for the Statement Record Layout.

.02 <u>**Types of Statement Records**</u>

There are two types of Statement Records:

1. **Optional Statement Records** are used only when there are <u>not enough</u> <u>occurrences</u> in the Record Layouts for all the occurrences of a field needed for a particular schedule or form. An optional Statement Record must contain at least four Statement Lines. Fields that can contain a reference to an optional Statement Record are identified in the Record Layouts by an asterisk (*) before the Field Sequence Number. Related fields, which are identified by a plus sign (+), must be included in the Statement Record.

    Example:
        A taxpayer files Schedule A to claim a deduction for three types of other taxes paid, but the Record Layout for Line 8 of Schedule A only allows for one occurrence of "Other Taxes Type" (SEQ *130) and "Other Taxes Amount" (SEQ +135). A statement reference is entered in the field "Other Taxes Type" (SEQ *130) of Schedule A, and each Statement Line (03-05) of the corresponding Statement Record will contain the type and amount for each of the other taxes paid.

2. **Required Statement Records** are used only when a statement of <u>explanation</u> is necessary. A required Statement Record must contain at least three Statement Lines and the second line must be blank. Fields that can contain a reference to a required Statement Record are identified in the Record Layouts by an at-sign (@) before the Field Sequence Number. Unlike optional statement fields, which can contain either data or a statement reference, required statement fields can contain a statement reference only.

Section 8 - Formats for Statement Records

.02 Types of Statement Records (continued)

Example:
   A taxpayer files Schedule A to claim a deduction for interest paid
   on a mortgage by the taxpayer and another person, but the Form 1098
   was received by the other person. The taxpayer is required to provide
   the name and address of the other person. A statement reference is
   entered in the field "Form 1098 Name/Address" (SEQ @165) of Schedule A,
   and the name and address are entered in Statement Line 03 of the
   corresponding Statement Record.

.03 Statement Record Format

1. Each line of a Statement Record is counted as a separate record and must
    contain the Byte Count, Start of Record Sentinel, Record ID Group
    (Fields 0000 through 0006), Statement Data (Field 0010) and the Record
    Terminus Character. Each line is a fixed-sized record of 123 bytes
    whether transmitting in fixed or variable format. Delimiters "[" and
    "]" are not used on statement records.

2. Each statement line of the Statement Record contains the 80-character
    Statement Data.

    When the total length of the related fields is less than 80 characters,
    the line must be blank-filled to equal the length of 80 characters.

    When the total length of the related fields exceeds the 80-character
    length of the Statement Data (Field 6) of the Statement Record, the
    information must be provided in two parts. The second part is actually a
    separate "continuation" Statement Record, which requires a separate
    statement reference and statement number. Fields that can contain a
    reference to continuation statement record are identified by an asterisk
    and a plus sign (*+) before the Field Sequence Number.

3. The individual data fields of Statement Records are not keyed to Field
    Sequence Numbers. Therefore, all data fields must be formatted as fixed
    length fields, so that the data will appear in the correct positions. If
    a field contains no data, it must be blank-filled or zero-filled, as
    appropriate.

4. Each Statement Reference on the tax return must have a corresponding
    Statement Record.

5. The total number of Statement Records cannot exceed the total number of
    Statement References entered in the tax return.

Section 8 - Formats for Statement Records

.03   Statement Record Format (continued)

6. A maximum of 30 Statement References can be entered in a tax return.

7. A Statement Record can contain a maximum of two pages. The first page
    can contain a maximum of 50 lines. The second page can contain a maximum
    of 49 lines. There is an absolute limit of 999 statement lines permitted
    for each tax return.

    When the second page of a Statement Record is used, data fields are
    entered on the first line (LN51) of Page 02 in the same format used for
    lines 03 - 50 of Page 01.

    Note: If desired, the line numbering for Page 02 can begin with "LN01",
    instead of "LN51"; however, do not enter titles and column headings in
    the first two lines of Page 02, regardless of the line numbering style
    used.

8. The Statement Reference and the corresponding Statement Record contain a
    Statement Number, which can equal any number from 01 to 99. The Statement
    Reference Numbers on the tax return must be in ascending numerical
    sequence and must be referenced in the same order as the transmission
    sequence of the schedules and forms. A Statement Number cannot be used
    more than once.

    Note: Although Statement Numbers must be in ascending sequence, they do
    not have to be in consecutive numerical sequence.

9. The first line of the first page of a statement record (PG01 LN01) will
    contain a literal description (title) of the statement record. It is
    recommended that the name and page of the schedule or form precede any
    other descriptive information entered on this line (e.g., "SCHEDULE **B** |
    PAGE 1 **Schedule B Interest Income**"). |

10. An optional statement record must contain at least four lines. The
    second line of the first page of an optional statement record (PG01,
    LN02) contains the column headings from the schedule or form (e.g.,
    "ST PROP DESCRIP", "DATE.."), with the headings spaced as they would
    appear on the printed form).

11. Each subsequent line of an optional statement record (LN03 to LN99)
    contains the related data fields in the format in which they appear in
    the record layouts. It is imperative that the data fields are entered
    in the statement record with the exact length and format defined in the
    record layouts.

12. A required statement record must contain at least three lines. The
    second line of a required statement record (LN02) must be blank.

13. Each subsequent line of a required statement record is used as needed
    for a narrative statement of explanation or to supply any additional
    information required.

Section 8 - Formats for Statement Records

.04 Examples of Optional Statement Records

1. Optional Statement Record - Page 01 and Page 02 (Fixed or Variable Format)

    The following example includes Page 01 and Page 02 of a Statement Record for Schedule B. The Statement Reference Number "STM 01" is entered in the field "Interest Payer 1" (*SEQ 030) of Schedule B.

    Page 01 Line 01:
    ```
    ---------1---------2---------3---------4---------5---------6
    0123****STM 01      PG01 333003333 LN01  bbbbbbbbbbbbbbbbbb
    SCHEDULE B INTEREST INCOMEbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbb
    bb#
    ```

    Line 01 of Page 01 contains the name (and page number if present) of the schedule or form and a title describing the information contained in the statement record. Blanks may be placed before the text in Line 01 to "center" the title.

    Page 01 Line 02:
    ```
    ---------1---------2---------3---------4---------5---------6
    0123****STM 01      PG01 333003333 LN02  bbbbbbbbbbbbbbbbbb
    INTEREST PAYERbbbbbbbbbbbbbbbbbbbbbAMOUNTbbbbbbbbbbbbbbbbbbb
    bb#
    ```

    Line 02 of Page 01 contains column titles (headers) for an Optional Statement Record. The spacing of the column titles is determined by the filer, allowing for easy readability.

    Page 01 Line 03:
    ```
    ---------1---------2---------3---------4---------5---------6

    0123****STM 01      PG01 333003333 LN03   FIRST NATIONAL BAN
    Kbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbb00000000350 bbbbbbbbbbbbbb
    bb#
    ```

    Line 03 is the first line containing data for individual fields. The data fields are entered in the statement lines as they would be entered on the schedule or form. In this example, the first data field is alphanumeric with a length of 50 characters. The information for this field equals 19 characters, including embedded blanks, so the remaining 31 characters are blank-filled.

    The next data field is a signed numeric field with a length of 12 characters. A money amount field must contain 11 numeric characters followed by a blank for a positive amount, or by a minus sign for a loss. In this example, the value of the money amount is 350, so the entry is right-justified and zero-filled with eight zeros, allowing for a blank in the 12th position.

    The total of the maximum lengths of the two data fields in this example equals 62 characters (50 + 12). The length of the Statement Data must equal 80 characters, so 18 blanks follow the last character of the second data field.

Section 8 - Formats for Statement Records

.04 **Examples of Optional Statement Records** (continued)

Page 01 Line 04:
```
---------1---------2---------3---------4---------5---------6
0123****STM 01      PG01 333003333 LN04    LOTS OF MONEY MARK
ETbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbb00000000200 bbbbbbbbbbbbbbb
bb#
```

Lines 04 - 50 of Page 01 are used to report additional interest.

Page 01 Line 50:
```
---------1---------2---------3---------4---------5---------6

0123****STM 01      PG01 333003333 LN50    CREDIT UNIONbbbbbb
bbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbb00000004800 bbbbbbbbbbbbbbb
bb#
```

In this example, interest has been received from more than 48 payers, so Page 02 of the same Statement Record will be used.

Page 02 Line 51:
```
---------1---------2---------3---------4---------5---------6

0123****STM 01      PG02 333003333 LN51    FORTY NINE SAVINGS
 AND LOANbbbbbbbbbbbbbbbbbbbbbbbbbb00000006000 bbbbbbbbbbbbbbb
bb#
```

Data fields are entered on the first line (LN51) of Page 02 in the format used for lines 03 - 50 of Page 01. Although "LN51" is used as the number of the first line of Page 02 in this example, the line numbering for Page 02 can begin with "LN01", if desired. In either case, do not enter titles and column headings in the first two lines of Page 02.

Lines 51 - 99 (or 01 - 49) of Page 02 are used as needed.

.04 Examples of Optional Statement Records (continued)

2. Optional Statement Record (Fixed or Variable Format)

The following is an example of the first part of a two-part Statement
Record for Schedule E Page 2 Part III. The second part is actually a
separate Statement Record with its own Statement Reference Number, but is
referred to as a "continuation" Statement Record.

For the first part of the Statement Record in this example, the Statement
Reference Number "STM 02" is entered in the field "Estate/Trust Name A"
(*SEQ 1790) of Schedule E.

Line 01:
```
---------1---------2---------3---------4---------5---------6
0123****STM 02     PG01 444004444 LN01   SCHEDULE E PAGE 2
PART IIIbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbb
bb#
```

Line 02:
```
---------1---------2---------3---------4---------5---------6
0123****STM 02     PG01 444004444 LN02   COLUMN Abbbbbbbbbb
bbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbCOLUMN B bbbb
bb#
```

Line 03:
```
---------1---------2---------3---------4---------5---------6
0123****STM 02     PG01 444004444 LN03   BROWN ESTATEbbbbbb
bbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbb112222222bbbb
bb#
```

Line 04:
```
---------1---------2---------3---------4---------5---------6
0123****STM 02     PG01 444004444 LN04   LANGLEY ESTATEbbbb
bbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbb223333333bbbb
bb#
```

Line 05:
```
---------1---------2---------3---------4---------5---------6
0123****STM 02     PG01 444004444 LN05   FORTUNE ESTATEbbbb
bbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbb334444444bbbb
bb#
```

Line 06:
```
---------1---------2---------3---------4---------5---------6
0123****STM 02     PG01 444004444 LN06   CHERRY TRUSTbbbbbb
bbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbb445555555bbbb
bb#
```

Section 8 - Formats for Statement Records

.04 Examples of Optional Statement Records (continued)

3. Optional Statement Record - Continuation Statement (Fixed or Variable Format)

For the Continuation Statement Record in this example, the Statement Reference Number "STM 03" is entered in the field "Passive F8582 Loss" (*+SEQ 1807) of Schedule E.

Line 01:
```
---------1---------2---------3---------4---------5---------6
0123****STM 03     PG01 444004444 LN01   SCHEDULE E PAGE 2
PART III CONTINUATIONbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbb
bb#
```

Line 02:
```
---------1---------2---------3---------4---------5---------6
0123****STM 03     PG01 444004444 LN02   COLUMN C    COLUMN
 D    COLUMN E    COLUMN F   bbbbbbbbbbbbbbbbbbbbbbbbbbbbb
bb#
```

Lines 03-06 contain data in Column D only; Columns C, E, and F must be zero-filled.

Line 03:
```
---------1---------2---------3---------4---------5---------6
0123****STM 03     PG01 444004444 LN03   00000000000 000000
01600 00000000000 00000000000 bbbbbbbbbbbbbbbbbbbbbbbbbbbbb
bb#
```

Line 04:
```
---------1---------2---------3---------4---------5---------6
0123****STM 03     PG01 444004444 LN04   00000000000 000000
00500 00000000000 00000000000 bbbbbbbbbbbbbbbbbbbbbbbbbbbbb
bb#
```

Line 05:
```
---------1---------2---------3---------4---------5---------6
0123****STM 03     PG01 444004444 LN05   00000000000 000000
01600 00000000000 00000000000 bbbbbbbbbbbbbbbbbbbbbbbbbbbbb
bb#
```

Line 06:
```
---------1---------2---------3---------4---------5---------6
0123****STM 03     PG01 444004444 LN06   00000000000 000000
03000 00000000000 00000000000 bbbbbbbbbbbbbbbbbbbbbbbbbbbbb
bb#
```

Section 8 - Formats for Statement Records

.05 Reporting Money Amount Fields and Totals

The following "total" fields on the tax form, schedules, and forms should
reflect the total of the money amount fields reported on the related Statement
Record. If a Statement Record is not present, the applicable money amount
should be entered in the specific field and repeated in the "total" field.

Schedule/Form	SEQ #	Identification
Form 1040 Page 1	590	Total Other Income
	697	Total Alimony Paid
	735	Total Other Adjustments
Form 1040 Page 2	1136	Total Other Tax
Schedule A	140	Total Other Taxes Amount
	410	Total Unreimbursed Employee Business Expense Amount
	435	Total Other Expenses
	495	Total Other Expenses
Schedule B	025	Total Seller Financed Mortgage Amount
Form 6198	040	Total Other Gain/Loss

Section 9 - Validation - Transmission Records

Balance Due Returns and Refund Returns can be included in the same transmission.

If any of the following reject conditions exist in a Transmission Record, the entire transmission will be rejected.

.01 General Transmission Reject Conditions

0805 o TRANS Record B (TRANB) must be present.

0823 o Unrecognizable Transmission - If there are any unrecognizable or inconsistent control data, the transmission will be rejected.

0825 o Invalid Sequence of Records in Transmission - The data records of the transmission must be in the following sequence: TRANA, TRANB, Return Records (1-500 for dial-up or 1-10,000 for dedicated/leased line or high speed protocal), and RECAP.

       o The format and content of the TRANA, TRANB, and RECAP Records must be exactly as defined in Part II Record Layouts.

.02 TRANS Record A (TRANA) Reject Conditions

0806 o Processing Site (SEQ 040) must equal a valid Electronic Filing site: "A" = Cincinnati, "B" = Ogden, "C" = Andover, "D" = Memphis, "E" = Austin.

0822 o Transmission Sequence for Julian Day (SEQ 080) matches a previously accepted transmission (Duplicate Transmission).

         Julian Day (SEQ 070) of TRANS Record A (TRANA) must equal the actual day of the transmission to the IRS and the Transmission Sequence (SEQ 080) must be for that same Julian Day. (Each transmission of returns for a Julian Day must have the Transmission Sequence incremented by one. The first transmission beginning after midnight should have the Julian Day for the day, e.g., "015" beginning at 12:01 a.m. with Transmission Sequence of "01".)

0824 o Transmitter EFIN (SEQ 110) must be present.

Section 9 - Validation - Transmission Records

.03 RECAP Record Reject Conditions

0830 o Total EFT (SEQ 020) does not equal program-computed count. Total EFT Count is a count of Direct Deposit Requests and is incremented for each return that contains a non-blank character in any one of the Direct Deposit data fields (SEQ 1272, 1274, 1276, 1278) of the Tax Form. If an extraneous character is present within those fields, it will be counted as an EFT.

0831 o Total Return Count (SEQ 030) does not equal program-computed count. Total Return Count is a count of returns transmitted and is incremented each time the Primary SSN within a Record ID changes.

0832 o RECAP Record – Total State Only Return Count (SEQ 0130) does not |
equal program computed count. Total State only Return Count is a |
count of State Only Returns transmitted and is incremented each |
time the Primary SSN within a Record ID changes. |

0840 o The following fields must equal those in the Trans Record A (TRANA):

IDENTIFICATION	TRANA	RECAP
Electronic Trnsmtr Identification Number (ETIN)	SEQ 060	SEQ 040
Julian Day of Transmission	SEQ 070	SEQ 050
Transmission Sequence Number for Julian Day	SEQ 080	SEQ 060

Section 10 - Validation - Tax Return

.01 General Reject Conditions

0001 o Page 1 of Form 1040, Form 1040A, or Form 1040EZ must be present.

o The Summary Record must be present.

0010 o Each field can contain only the type of data specified in its Field Description in Part II Record Layouts.

o Significant money amount fields must be right-justified (and zero-filled when transmitting in fixed format). Money amount fields must contain whole dollars (no cents). When a field is defined as "N (positive only)", the field must be present and must contain an amount greater than or equal to zero.

o For numeric fields that can contain a literal value, entries must be left-justified and blank-filled when transmitting in fixed format. When transmitting in variable format, only significant characters are transmitted.

When transmitting in fixed or variable format, significant date fields must contain numeric characters in the following formats, unless otherwise specified in Part II Record Layouts:
Year fields with a length of four positions = YYYY, date fields with six positions = MMYYYY, date fields with eight positions = MMDDYYYY unless otherwise specified.

o All alphanumeric fields must be left-justified (and blank-filled when transmitting in fixed format) unless otherwise specified.

0014 o When there is an entry in a field defined as "NO ENTRY", the return will be rejected. (See Part II Record Layouts for "NO ENTRY" fields.)

 .01 General Reject Conditions (continued)

0030 o Taxpayer Identification Number (SEQ 003) of all data records in a
        tax return must contain the same Primary SSN.

     o Schedule Occurrence Number (SEQ 005 of the Schedule Record
        Identification) and Form Occurrence Number (SEQ 005 of the Form
        Record Identification) must be significant and in ascending,
        consecutive numerical sequence beginning with "0000001".
        Note: For multiple occurrences of a schedule or form, the Page
        Number (SEQ 002 of the Schedule or Form Record Identifications)
        must be sequential within each occurrence of a schedule or Form.

     o All pages of a multiple-page schedule or form must be present.

        Listed below are exceptions to this rule:
        -Page 2 may be present without Page 1 and vice versa for the
         following: Schedule E, Form 4684, Form 4797, Form 8283,
         Form 8606, Form 8824 and Form 8853.

        -Page 2 need not be transmitted if there are no entries for that
         page (but Page 2 cannot be present without Page 1) for the
         following: Schedule C, Schedule D, Schedule F, Schedule H,
         Schedule 2, Form 2106, Form 2441, Form 4562, Form 5329,
         Form 6251, Form 6765, Form 8275, Form 8275-R, Form 8582-CR,
         Form 8606, Form 8621, Form 8697, Form 8801 and   -|
         Form 8839.

        -Page 2 and Page 3 are optional for Form 2210 and Form 8582,
         but neither Page 2 nor Page 3 can be present without Page 1.

        -Form 4136 Page 2 may be present without Page 1, but if Page 1
         is present, then Page 2 must also be present.

        -Pages 2-4 need not be transmitted if there are no entries for
         those pages (but these pages cannot be present without page 1)
         for the following: Form 5471, Form 5713

        -Form 8865 Pages 3-7 need not be transmitted if there are no
         entries for those pages. But these pages cannot be present
         without pages 1 and 2.

        -State Record ST 0001 may be present without ST 0002, but
         ST 0002 cannot be present without ST 0001.

     o For Form 1040, Pages 1 and 2 must be present, **(exception: State** |
        Only returns), and the following cannot be present: Form 1040A |
        Pages 1 and 2, Schedule 1, Schedule 2, Schedule 3, Form 1040EZ.

        For Form 1040A, Pages 1 and 2 must be present, and the following
        cannot be present: Form 1040 Pages 1 and 2, Form 1040EZ.

        For Form 1040EZ, must be present, and the following cannot be
        present: Form 1040 Pages 1 and 2, Form 1040A Pages 1 and 2.

0033 o Fields within a record cannot be longer than specified in Part II
        Record Layouts.

     o Name Line 1 (SEQ 060) of the Tax Form can have a maximum of 35
        characters; any more than 35 will be dropped. See Section 7.02
        for Name Line 1 format.

Section 10 - Validation - Tax Return

.01 General Reject Conditions (continued)

0034 o For each record, significant data must be present in the Record ID
        Group.

0035 o Field Sequence Numbers within each record must be in ascending
        order and must be valid for that record.

0044 o The record has an invalid field in one of the Record ID Group.
        The error may be one of the following:

        -The Taxpayer Identification Number (SEQ 003) within the Record ID
         does not match Primary SSN (SEQ 010) of the Tax Form.

        -The schedule or form is invalid for electronic filing or the page
         number is incorrect or duplicated.

        -Each record must be followed by a record terminus character (#).

0045 o The format and content of the Record ID Group that begins each
        record must be exactly as defined in Part II Record Layouts and
        must not duplicate another Record ID Group.

     o If the Schedule/Form Occurrence Number (SEQ 005) of Record ID is
        invalid, or is a duplicate, or exceeds the maximum number
        permitted for that record the return will be rejected. Refer to
        Attachment 10 for the maximum number of schedules/forms permitted
        in an electronically filed tax return.

0500 o Primary SSN (SEQ 010) and Primary Name Control (SEQ 050) of the
        Tax Form must match data from the IRS Master File.

0501 o Qualifying SSN (SEQ 015, 085) of Schedule EIC and the
        corresponding Year of Birth (SEQ 020, 090) must match data
        received from the Social Security Administration.

     o Qualifying SSN (SEQ 015, 085) of Schedule EIC and the
        corresponding Qualifying Child Name Control (SEQ 007, 077) must
        match data from the IRS Master File.

0502 o Employer Identification Number (SEQ 040) of Form W-2 **and/or** |
        W-2GU, Payer Identification Number (SEQ 026) of Form W-2G, **Payer
        Identification Number (SEQ 090) of Form 1099-G** and Payer
        Identification Number (SEQ 050) of Form 1099-R must match data
        from the IRS Master File.

0503 o Secondary SSN (SEQ 030) and Spouse's Name Control (SEQ 055) of
        the Tax Form must match data from the IRS Master File.

0504 o Dependent's SSN (SEQ 175, 185, 195, 205, 215) of Form 1040/1040A   -|
        and corresponding Dependent Name Control (SEQ 172, 182, 192, 202,
        212) must match data from the IRS Master File.   -|

0505 o Employer Identification Number (SEQ 040) of Form W-2 **and/or** |
        W-2GU, or Payer Identification Number (SEQ 026) of Form W-2G, |
        Payer Identification Number (SEQ 090) of Form 1099-G or Payer |
        Identification Number (SEQ 050) of Form 1099-R was issued in the
        current processing year.

0506 o Qualifying SSN (SEQ 015, 085) of Schedule EIC was previously used
        for the same purpose.

.01 General Reject Conditions (continued)

0507 o Dependent's SSN (SEQ 175, 185, 195, 205, 215) of Form 1040/1040A   -|
         was previously used for the same purpose.

0508 o Primary SSN (SEQ 010) has been used as a Secondary SSN (SEQ 030)
         on another return with filing status 2-Married filing joint status
         (SEQ 130); or Secondary SSN (SEQ 030) has been used as a Primary
         SSN on another return.

0509 o Secondary SSN (SEQ 030) was previously used as a Dependent's SSN
         or as a Schedule EIC Qualifying SSN on a previous or current
         return; or Dependent's SSN was used as a Secondary SSN on a
         previous or current return; or Schedule EIC Qualifying SSN was
         used as a Secondary SSN on a current or previous return.

0510 o Primary SSN (SEQ 010) and/or Secondary SSN (SEQ 030) where self
         was claimed as an exemption (SEQ 160) has also been used as a
         Dependent's SSN (SEQ 175, 185, 195, 205, 215) on another return.   -|

0511 o Primary SSN (SEQ 010) was used with the Filing Status (SEQ 130)
         other than "3" or "4", and was also used as a Secondary SSN (SEQ
         030) on another return with filing status value "3".

0512 o Student's Name Control (SEQ 030, 100, 170, 270, 310, 350, 390,
         430) of Form 8863 and corresponding Student's SSN (SEQ 035, 105,
         175, 275, 315, 355, 395, 435) of Form 8863 must match data from
         the IRS Master File.

0513 o Secondary SSN (SEQ 030) was used as a Secondary SSN more than
         once.

0514 o Insured Name Control (SEQ 295) and Insured SSN (SEQ 310) of Form
         8853 must match data from the IRS Master File.

0515 o   Primary SSN (SEQ 010) was used as a Primary SSN more than
          once.

0516 **o   Primary SSN (SEQ 0010) and the Primary Name Control (SEQ 0050) of** |
          the State-Only 1040 Return must match data from the IRS Master |
          File. |

0517 o   Secondary SSN (SEQ 0030) and the Secondary Name Control (SEQ 0055) |
          of the State-Only 1040 Return must match data from the IRS Master |
          File. |

0520 o Employer Name Control (SEQ 015) and Employer Identification
         Number (SEQ 030) of Schedule H must match data from the IRS
         Master File.

0521 o   Year of Birth for the following cannot equal the current
          processing year: Primary SSN (SEQ 010) and Secondary SSN (SEQ 030)
          of the Tax Form; Dependent's SSN (SEQ 175, 185, 195, 205,
          215, 225) of Form 1040/1040A; and Qualifying SSN - 1 (SEQ 015)
          and Qualifying SSN - 2 (SEQ 085) of Schedule EIC.

0524 o Qualifying Person Name Control - 1, - 2 (SEQ 120, 221) and
         Qualifying Person SSN - 1, - 2 (SEQ 214, 223) of
         Form 2441/Schedule 2 do not match data from the IRS Master File.

.01 General Reject Conditions (continued)

0525 o Eligible Child Name Control - 1, - 2 (SEQ 030, 110) and
          Identifying Number Child - 1, - 2 (SEQ 080, 160) of Form 8839 do
          not match data from the IRS Master File.

0526 o Qualifying Person SSN - 1, - 2 (SEQ 214, 223) of
          Form 2441/Schedule 2 was previously used for same purpose.

0527 o Identifying Number Child - 1, - 2 (SEQ 080, 160) of Form 8839
          was previously used for same purpose.

0528 o Student's SSN (SEQ 035, 105, 175, 275, 315, 355, 395, 435) of
          Form 8863 was previously used to claim Education Credit on
          another tax return.

0600 o IRS Master File indicates that the taxpayer must file Form 8862
          to claim Earned Income Credit after disallowance. Form 8862 is
          missing from the tax return and it is required.

0900 o Primary SSN (SEQ 010) of the Tax Form cannot duplicate Primary
          SSN or Secondary SSN of any previously accepted electronic return
          for the current tax year.

0902 o Declaration Control Number (DCN) (SEQ 008) of the Tax Return
          Record Identification Page 1 cannot duplicate a DCN on a
          previously accepted electronic return for the current processing
          year.

0903 o Secondary SSN (SEQ 030) of the Tax Form cannot duplicate the
          Secondary SSN of any previously accepted return for the current
          tax year. The Secondary SSN cannot have been filed previously as
          a Primary SSN for the current tax year.

0904 o Primary SSN (SEQ 010) of the Tax Form cannot duplicate a
          Primary SSN within the same "drain" of returns.

0905 o Declaration Control Number (DCN) (SEQ 008) of the Tax Return
          cannot duplicate a DCN within the same "drain" of returns.

0906 o Secondary SSN (SEQ 030) of the Tax Return cannot duplicate a
          Secondary SSN within the same "drain" of returns.

0999 o A maximum of 96 Error Reject Codes can be provided in the
          acknowledgment file. If more than 96 reject conditions are
          identified, the 96th Error Reject Code will be replaced
          with "999".

Section 10 - Validation - Tax Return

.02 Statement Record Reject Conditions

0005 o The maximum number of Statement References within a tax return
is 30. (A Statement Reference is defined as "STMbnn"; the value
of "nn" refers to the Statement Number.) See Section 8 for
Statement Record information.

0050 o The only valid entry in a Required Statement Record field
(identified by an at-sign (@) in Part II Record Layouts) is a
Statement Reference, i.e., "STMbnn".

o For Required Statement Records, Line 02 must be blank. Line 03
must be present and must contain significant data.

o For Required Statement Records, any Statement Reference "STMbnn"
occurring within a tax return must have a corresponding Statement
Record.

0051 o For Optional Statement Records (identified by an asterisk (*) in
Part II Record Layouts), any Statement Reference "STMbnn"
occurring within a tax return must have a corresponding Statement
Record.

0052 o Optional Statement Records (identified by an asterisk (*) in
Part II Record Layouts) are used only when the lines of data to
be entered exceed spacing allowed on a schedule or form.

o For Optional Statement Records, Lines 01, 02, 03, and 04 must be
present and must contain significant data.

0053 o The total number of Statement Records cannot exceed the total
number of Statement References within a tax return.

Section 10 - Validation - Tax Return

.03 Tax Return Record Identification (Record ID) Reject Conditions

0003 o Tax Period (SEQ 005) equal "2002**12**". For Form 1040/1040A, Tax |
        Period (SEQ 005) of Tax Return Record Identification Page 2 must
        also equal "2002**12**". |

0028 o EFIN of Originator (SEQ 008b) must contain a valid District Office
        Code. Refer to Attachment 7 for District Office Codes.

0029 o EFIN of Originator (SEQ 008b) must be for a valid electronic
        filer.

0031 o Return Sequence Number (RSN) (SEQ 007) must be numeric.

0032 o Declaration Control Number (DCN) (SEQ 008) must be numeric.

0060 o Return Sequence Number (RSN) (SEQ 007) must be in ascending
        numerical sequence within a transmission. However, the RSN's
        within the transmission do not have to be consecutive.

0061 o Declaration Control Number (DCN) (SEQ 008) must be in ascending
        numerical sequence within the transmission. However, the DCN's
        within the transmission do not have to be consecutive.

0062 o The first two digits of the Declaration Control Number (DCN)
        (SEQ 008) must be zeros.

0064 o The Year Digit of Declaration Control Number (DCN) (SEQ 008) must
        be **"3"**. |

Section 10 - Validation - Tax Return

.04 Tax Return Carry-Forward Lines

In general, the amount on the Tax Form (Form 1040 and Form 1040A) must equal
the amount carried from the following schedules and forms. Refer to the
specific Error Reject Code in Section 11 or Attachment 1 for exceptions and
additional conditions pertaining to the Error Reject Code.

		Field on the Tax Form:			**Field from the Schedule or Form:**	
ERC	SEQ#	Identification		Sch/Frm	SEQ#	Identification
0076:	380	Taxable Interest	=	Sch B/ Sch 1	290	Taxable Interest
0077:	394	Total Ordinary Dividends	=	Sch B/ Sch 1	525	Total Ordinary Dividends
0099:	440	Business Income/Loss	=	Sch C	710	Net Profit (Loss)
						plus
				Sch C-EZ	710	Net Profit
0078:	450	Capital Gain/Loss	=	Sch D	1848	Combined Net Gain/Loss
						or
					1849	Allowable Loss
0081:	470	Other Gain/Loss	=	4797	1030	Redetermined Gain/Loss
0079:	510	Rent/Royalty/Part/ Estates/Trusts Inc	=	Sch E	1150	Total Income or Loss
						or
					2010	Total Supplemental Income (Loss)
0140:	520	Farm Income	=	Sch F	680	Net Farm Profit or Loss
0457:	577	Housing/Foreign Earned Income Exclusion Amount	=	2555	1260	Max. Housing and Foreign Earned Inc. Exclusions
						plus
				2555EZ	1260	Max. of Foreign Earned Inc. Exclusion
0357:	632	Archer MSA Deduction	=	8853	200	Medical Savings Account Deduction
0080:	637	Current Year Moving Expenses	=	3903	180	Moving Exp Deduction
0195:	640	Self-Employed Deduction Schedule SE	=	Sch SE	165	Deduction for 1/2 of Self Employment Tax
0459:	730	Other Adjustment Amount	=	2555	1310	Total Housing Deduction

Section 10 - Validation - Tax Return

.04 Tax Return Carry-Forward Lines (continued)

	Field on the Tax Form:			**Field from the Schedule or Form:**	
ERC	SEQ# Identification		Sch/Frm	SEQ#	Identification
0082:	789 Total Itemized or Standard Deduction	=	Sch A	520	Total Deductions
0392:	820 Taxable Income	=	Sch J	010	Taxable Income
0251:	820 Taxable Income	=	8615	100	Child Taxable Income
0261:	857 Form 8814 Amount	=	8814	220	Form 8814 Tax
0252:	915 Tax (Form 1040) or 860 Tax (Form 1040A)	=	8615	290	Form 8615 Tax
0110	915 Tax	=	Sch J	220	Subtract Line21 from Line 17
0083:	925 Credit for Child & Dependent Care	=	2441/ Sch 2	330	Credit for Child & Dependent Care
0084:	930 Credit for Elderly or Disabled	=	Sch R/ Sch 3	250	Credit
0087:	918 Alternative Minimum Tax	=	6251	340	Alternative Minimum Tax
0086:	1040 Self Employment Tax	=	Sch SE	160	Self-Employment Tax
0115:	1080 Social Security & Medicare Tax on Tips	=	4137	200	F1040 Social Security Medicare Tax on Tips
0112:	1100 Tax on Retirement Plans	=	5329	078	Total Section 72 Tax on Early Distributions plus
				091	Tax on Ed IRA Distrib Not Used for Educ Expenses plus
				160	Excess Contributions Tax on Traditional IRA plus
				480	Excess Contributions Tax on Roth IRA plus
				570	Excess Contribution Tax on Ed IRA plus
				660	Excess Contributions Tax on MSA plus
				720	Tax on Excess Accumulations

.04 Tax Return Carry-Forward Lines (continued)

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      Field on the Tax Form:              Field from the Schedule or Form:

ERC    SEQ#  Identification          Sch/Frm  SEQ#  Identification

0221:  1105  Advanced EIC Payments  =  W-2     200   Advance EIC Payment

0236:  1107  Household Employment   =  Sch H   140   Total Taxes Less
             Taxes                                   Advance EIC Payments
                                                          plus
                                              240   FUTA Tax

0374:  1186  Additional Child       =  8812    120   Additional Child
             Tax Credit                              Tax Credit

0426:  1210  Other Payments         =  2439    230   Tax Paid by Regulated
                                                      Investment Company
                                                          and
                                      =  4136    820   Total Income Credit
                                                      Amount

0136:  1300  ES Penalty Amount      =  2210    240   Underpayment Penalty/
                                                     Short Method
                                                          or
                                              720   Total Underpayment
                                                     Penalty
                                                          or

                                      =  2210F   180   Underpayment Penalty/
                                                     Farmers Fisherman
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Section 10 - Validation - Tax Return

.04 Tax Return Carry-Forward Lines (continued)

In general, the amounts on the following schedules and forms must be equal.
Refer to the specific Error Reject Code in Section 11 or Attachment 1 for
exceptions and additional conditions pertaining to the Error Reject Code.

ERC	Sch/Frm	SEQ#	Identification		Sch/Frm	SEQ#	Identification
0170:	Sch A	390	Casualty/Theft Loss	=	4684	450	Line 16 Minus Line 17
0280:	Sch B/ Sch 1	289	Excludable Savings Bond Interest	=	8815	290	Excludable Savings Bond Interest
0186:	Sch C	703	Home Business Expense	=	8829	450	Schedule C Allowable Expenses
0250:	Sch D	1870	Investment Capital Gain	=	4952	036	Investment Capital Gain
0180: 0184:	Sch E	1991	Net Farm Rental Income/Loss	=	4835	610 630	Net Farm Rent Profit and/or Net Farm Rent (Loss)
0171:	4797	440	Gain/Loss for Entire Year (Form 4684 Sec B Gain)	=	4684	1120	Loss Equal to or Smaller than Gain
0251:	8615	100	Child Taxable Income	=	1040/ 1040A	820	Taxable Income

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Section 11 - Validation - Specific Schedules and Forms

The first seven sub-sections of Section 11 contain Error Reject Codes pertaining to the tax form, organized as follows:
  11.01   Forms 1040, 1040A, and 1040EZ
  11.02   Direct Deposit Information - Forms 1040, 1040A, and 1040EZ
  11.03   Forms 1040 and 1040A only
  11.04   Form 1040 only
  11.05   Form 1040A only
  11.06   Form 1040EZ only

The remaining four sub-sections include Error Reject Codes for the following:
  11.07   Specific Schedules
  11.08   Specific Forms
  11.09   Authentication Record
  11.10   State Records
  11.11   Summary Record

.01   Form 1040, Form 1040A, and Form 1040EZ

0004 o Primary SSN (SEQ 010) must be within the valid ranges of SSN/ITIN's
        and cannot equal an ATIN. It must equal all numeric characters and
        cannot equal all blanks, zeros, or nines. Refer to Attachment 8
        for valid ranges of Social Security/Taxpayer Identification
        Numbers.

     o Primary SSN (SEQ 010) is a required field.

     o Primary SSN (SEQ 010) of the Tax Form must equal Taxpayer
        Identification Number (SEQ 003) of Tax Return Record Identification
        Page 1.

     o Taxpayer Identification Number (SEQ 003) of Tax Return Record
        Identification Page 1 must be significant.

0006 o Only the following characters are permitted in the Primary Name
        Control (SEQ 050) and Spouse's Name Control (SEQ 055): alpha,
        hyphen, and space. The Name Control cannot contain leading or
        embedded spaces. The left-most position must contain an alpha
        character.

     o Primary Name Control (SEQ 050) is a required field.

     o Spouse's Name Control (SEQ 055) is a required field when Filing
        Status (SEQ 130) equals "2" or "3". On Form 1040EZ, Spouse's
        Name Control (SEQ 055) is a required field when Secondary SSN
        (SEQ 030) is significant.

     o See Section 7.01 for Name Control format.

 __.01   Form 1040, Form 1040A, and Form 1040EZ__

0007 o Street Address (SEQ 080) is alphanumeric and cannot have leading
         or consecutive embedded spaces. The left-most position must
         contain an alpha or numeric character. The only special
         characters permitted are space, hyphen (-), and slash (/). See
         Section 7.03 for Street Address format.

      o Street Address (SEQ 080) is a required field.

      o Exception: This check is not performed when Address Ind (SEQ 097)
         is equal to "3", indicating a foreign address.")

0016 o Zip Code (SEQ 095) must be within the valid ranges of zip codes
         listed for the corresponding State Abbreviation (SEQ 087). The
         zip code cannot end in "00", with the exception of 20500 (the
         White House zip code). Refer to Attachment 3.

      o Exception: This check is not performed when Address Ind
         (SEQ 097) is equal to "3", indicating a foreign address.")

0020 o Name Line 1 (SEQ 060) cannot have leading or consecutive embedded
         spaces. The only characters permitted are alpha, space,
         ampersand (&), hyphen (-), and less-than sign (<). The left-most
         position must be alpha. The less-than sign replaces the
         intervening space to identify the primary taxpayer's last name
         and cannot be preceded by or followed by a space. See
         Section 7.02 for Name Line 1 format.

      o Name Line 1 (SEQ 060) is a required field.

      o __If the primary and the spouse have two different last names, the__
         __second less-than sign ("<") after the primary last name must be__
         __followed by an ampersand ("&").__

0021 o Name Line 2 (SEQ 070) is alphanumeric and cannot have leading or
         consecutive embedded spaces. The only special characters
         permitted are space, ampersand (&), hyphen (-), slash (/), and
         percent (%). See Section 7.04 for Name Line 2 format.

0022 o State Abbreviation (SEQ 087) must be significant and consistent
         with the standard state abbreviations issued by the Postal
         Service. Refer to Attachment 3 for State Abbreviations.

      o State Abbreviation (SEQ 087) is a required field.

      o Exception: This check is not performed when Address Ind
         (SEQ 097) is equal to "3", indicating a foreign address.")

0023 o City (SEQ 083) must be left-justified and must contain a minimum
         of three alpha characters. This field cannot contain consecutive
         embedded spaces and must contain only alphabetic characters and
         spaces. Do not abbreviate the city name.

      o City (SEQ 083) is a required field.

      o Exception: This check is not performed when Address Ind
         (SEQ 097) is equal to "3", indicating a foreign address.")

Section 11 – Specific Schedules and Forms

.01 Form 1040, Form 1040A, and Form 1040EZ

0024 o If Address Ind (SEQ 097) equals "1" (APO/FPO Address), then City
         (SEQ 083) must equal "APO" or "FPO", and State Abbreviation
         (SEQ 087) must equal "AA", "AE", or "AP" with the appropriate Zip
         Code (SEQ 095). If State Abbreviation (SEQ 087) equals "AA",
         "AE", or "AP", then Address Ind (SEQ 097) must equal "1". Refer
         to Attachment 4.

0063 o When Filing Status (SEQ 130) equals "2" or "3", both Primary SSN
         (SEQ 010) and Secondary SSN (SEQ 030) must be numeric. (The
         Filing Status of Form 1040EZ is considered to be "2" when
         Secondary SSN (SEQ 030) is significant.)

0069 o Form 1040/1040A - When Filing Status (SEQ 130) equals "2", Name
         Line 1 (SEQ 060) must contain an ampersand (&).

      o Form 1040EZ - When Secondary SSN (SEQ 030) is significant, Name
         Line 1 (SEQ 060) must contain an ampersand (&).

0071 o When Secondary SSN (SEQ 030) is significant, it must be within
         the valid ranges of SSN/ITIN's, cannot equal an ATIN, and cannot
         equal Primary SSN (SEQ 010). It must equal all numeric
         characters and cannot equal all zeros or all nines. Refer to
         Attachment 8 for valid ranges of Social Security/Taxpayer
         Identification Numbers.

0072 o When EIC Eligibility (SEQ 1183) equals "NO", Earned Income Credit
         (SEQ 1180) cannot be significant.

      o Form 1040/1040A - When Schedule EIC is present, Earned Income
         Credit SEQ (1180) must be significant.

0075 o If Earned Income Credit (SEQ 1180) is significant, then at least
         one of the following must be present for the forms listed below:
         Form 1040: Household Help Literal (SEQ 366) and Household Help
         Amt (SEQ 368); Type of Other Income (SEQ 560) and Amount of Other
         Income (SEQ 570); Form W-2; **W-2GU**; Form 1099-R with Distribution |
         Code (SEQ 190) equal to "3"; Schedule C; Schedule C-EZ;
         Schedule E with Part/S-Corp Ind (SEQ 1172, 1210, 1270, 1330,
         1390) equal to "P"; Schedule F.
         Form 1040A: Household Help Literal (SEQ 366) and Household Help
         Amt (SEQ 368); Form W-2; **W-2GU**; Form 1099-R with Distribution |
         Code (SEQ 190) equal to "3".
         Form 1040EZ: Household Help Literal (SEQ 366) and Household Help
         Amt (SEQ 368); Form W-2; **W-2GU.** |

0103 o If Withholding (SEQ 1160) is greater than $500, then at least one
         of the following must be present for the forms listed below:
         Form 1040: Other 1099 Withholding Literal (SEQ 1140); Withholding
         (SEQ 130) on Form W-2 **or W-2GU;** Withholding (SEQ 160) on |
         Form 1099-R; Withholding (SEQ 050) on Form W2-G.
         Form 1040A: Other 1099 Withholding Literal (SEQ 1140);
         Withholding (SEQ 130) on Form W-2 **or W-2GU; Withholding (SEQ 200)** |
         on Form 1099-G; Withholding (SEQ 160) on Form 1099-R. |
         Form 1040EZ: Other 1099 Withholding Literal (SEQ 1140);
         Withholding (SEQ 130) on Form W-2 **or W-2GU; Withholding (SEQ 200)** |
         on Form 1099-G. |

Section 11 – Specific Schedules and Forms

 .01   Form 1040, Form 1040A, and Form 1040EZ

0108 o Form 1040/1040A - If Overpaid (SEQ 1260) is greater than zero,
         then Total Payments (SEQ 1250) must be greater than Total Tax
         (SEQ 1138).

      o Form 1040EZ - If Refund (SEQ 1270) is greater than zero, then
         Total Payments (SEQ 1250) must be greater than Total Tax
         (SEQ 1256).

0109 o Form 1040/1040A - If Primary SSN (SEQ 010) or Secondary SSN
         (SEQ 030) is equal to an ITIN, then Earned Income Credit
         (SEQ 1180) cannot be significant and Schedule EIC cannot be
         present.

      o Form 1040EZ - If Primary SSN (SEQ 010) or Secondary SSN (SEQ 030)
         is equal to an ITIN, then Earned Income Credit (SEQ 1180) cannot
         be significant.

0126 o If Paid Preparer information (SEQ 1340, 1350, 1360, 1370, 1380,
         1390, 1400, 1410, 1420) is significant, then either Preparer
         SSN/Preparer TIN (SEQ 1360) or Preparer Firm EIN (SEQ 1380) must
         be significant.

      o If Preparer SSN/Preparer TIN (SEQ 1360) is significant, it must
         equal all numeric characters and cannot equal all zeros or all
         nines; or the first position must equal "P" and the last positions
         must be numeric characters and cannot equal all zeros or all
         nines.

      o If Preparer Firm EIN (SEQ 1380) is significant, it must equal all
         numeric characters and cannot equal all zeros or all nines.

      o When Paid Preparer information (SEQ 1340-1420) is significant,
         Non-Paid Preparer (SEQ 1338) cannot be significant, and vice
         versa. Refer to Attachment 6 for more information on Non-Paid and
         Paid Preparers.

0146 o When Unemployment Compensation (SEQ 552) is significant, it must
         be numeric and greater than zero.

0177 o If Earned Income Credit (SEQ 1180) is significant and Schedule E
         is not present, then the total of the following fields cannot
         exceed $**2550** unless Form 4797 is attached: Taxable Interest |
         (SEQ 380), Tax-Exempt Interest (SEQ 385), Total Ordinary Dividends
         (SEQ 394) of Form 1040/1040A, and Capital Gain/Loss (SEQ 450)
         (when greater than zero) of Form 1040.

0192 o At least one of the following fields must be significant for the
         forms listed below:
         Form 1040/1040A: Total Income (SEQ 600), Adjusted Gross Income
         (SEQ 750), AGI Repeated (SEQ 770), Tax (SEQ 915/**860**), Total |
         Credits (SEQ 1020), Total Tax (SEQ 1138), Total Payments
         (SEQ 1250).
         Form 1040EZ: Adjusted Gross Income (SEQ 750), Taxable Income
         (SEQ 820), Withholding (SEQ 1160), Total Tax (SEQ 1256), Refund
         (SEQ 1270), Amount Owed (SEQ 1290).

Section 11 – Specific Schedules and Forms

.01   Form 1040, Form 1040A, and Form 1040EZ

0204 o Form 1040/1040A – If Earned Income Credit (SEQ 1180) is
         significant and Schedule EIC is not present, then the primary
         taxpayer and/or the secondary taxpayer must be at least age 25
         but not older than age 64.

      o Form 1040EZ - If Earned Income Credit (SEQ 1180) is significant,
         then the primary taxpayer and/or the secondary taxpayer must be
         at least age 25 but not older than age 64.

0259 o When Workfare Payments Literal (SEQ 376) equals "WP", Workfare
         Payments Amount (SEQ 377) must be significant, and vice versa.

0299 o RAL indicator (SEQ 1465) must equal "Y" or "N"

      o RAL Indicator (SEQ 1465) is a required field.

0303 o Form 1040/1040A – If Amount Owed (SEQ 1290) is greater than zero
         and ES Penalty Amount (SEQ 1300) is not significant, then Total
         Tax (SEQ 1138) must be greater than Total Payments (SEQ 1250).

         Form 1040EZ - If Amount Owed (SEQ 1290) is greater than zero, then
      o Total Tax (SEQ 1256) must be greater than Total Payments
         (SEQ 1250).

**0409 o When Foreign Employer Compensation Literal (SEQ 0378) equals "FEC", |
         then Foreign Employer Compensation Total (SEQ 0379) must be |
         significant and the FEC Record must be present. |**

**   When the FEC Record is present, then Foreign Employer Compensation |
         Literal (SEQ 0378) must equal "FEC" and Foreign Employer |
         Compensation Total (SEQ 0379) must be significant. |**

**0417 o If Earned Income Credit (SEQ 1180) is significant, then the FEC |
         Record cannot be present and Foreign Employer Compensation Literal |
         (SEQ 0378) and Foreign Employer Compensation Total (SEQ 0379) must |
         be blank. |**

**0418 o Foreign Employer Compensation Total (SEQ 0379) must equal the |
         total of Foreign Employer Compensation Amount (SEQ 220) from the |
         FEC Record(s). |**

0606 o IRS Master File indicates that the taxpayer is not allowed to
         claim the Earned Income Credit for this tax year.

0610 o If Address Ind (SEQ 097) is equal to "3" (indicating a foreign
         country), then the following fields must be present: Foreign
         Street Address (SEQ 062), Foreign City, State or Province, Postal
         Code (SEQ 064), and Foreign Country (SEQ 066); and the following
         fields cannot be present: Name Line 2 (SEQ 070), Street Address
         (SEQ 080), City (SEQ 083), State Abbreviation (SEQ 087), and Zip
         Code (SEQ 095).

         If Address Ind (SEQ 097) is not equal to "3", then the following
         fields cannot be present: Foreign Street Address (SEQ 062),
         Foreign City, State or Province, Postal Code (SEQ 064), and
         Foreign Country (SEQ 066).

0611 o Foreign Street Address (SEQ 062) is alphanumeric and cannot have
         leading or consecutive embedded spaces. The only special characters
         permitted are space, hyphen (-), and slash (/).

Section 11 – Specific Schedules and Forms

.01 Form 1040, Form 1040A, and Form 1040EZ

0612 o Foreign City, State or Province, Postal Code (SEQ 064) is
         alphanumeric and cannot have leading or consecutive embedded spaces.
         The left-most position must contain an alpha or numeric character.
         The only special characters permitted are space, hyphen (-), and
         slash (/).

0613 o Foreign Country (SEQ 066) must be left justified and must contain a
         minimum of three alpha characters. This field cannot contain
         consecutive embedded spaces and must contain only alpha characters
         and spaces. Do not abbreviate the country name.

0614 o Earned Income Credit (SEQ 1180) cannot be significant when State
         Abbreviation (SEQ 087) equals "AS", "GU", "MP", "PR", or "VI", or
         when Address Ind (SEQ 097) equals "3".

0615 o If State Abbreviation (SEQ 087) equals "AS", "GU", "MP", "PR", or
         "VI"; or Address Ind (SEQ 097) equals "3"; or any of the following
         forms are present: Form 4563, Form 5074, Form 8689, then the return
         must be processed at Andover Service Center.

0767 o When Third Party Designee "Yes" Box (SEQ 1303) equals to "X", Third
         Party Designee Name (SEQ 1307) and Third Party Designee PIN (SEQ
         1313) must be present.

      o If the literal "PREPARER" is in Third Party Designee Name (SEQ
         1307), then Third Party Designee PIN (SEQ 1313) is not required.

0770 o If Third Party Designee "Yes" Box (SEQ 1303) and Third Party
         Designee "No" Box (SEQ 1305) cannot both equal "X".

1014 o When Filing Status Code (SEQ 0130) is equal to "2" and the Primary |
Date of Death (SEQ 0020) and the Secondary Date of Death (SEQ |
0040) and Refund (SEQ 1270) are significant, then Form 1310 must |
be present and Name Line 2 must match the Name of Person Claiming |
Refund (SEQ 0060) on Form 1310. |

1015 o When Filing Status Code (SEQ 0130) is equal to "2" and either the |
Primary Date of Death (SEQ 0020) or the Secondary Date of Death |
(SEQ 0040) are significant, then either the Surviving Spouse Yes |
(SEQ 1325) or the Surviving Spouse No (SEQ 1326). |

1016 o When Filing Status Code (SEQ 0130) is NOT equal to "2" and the |
Primary Date of Death (SEQ 0020) and the Refund (SEQ 1270) are |
significant, then Form 1310 must be present and Person other than |
A or B Claiming Decedent Refund (SEQ 0190) must be significant. |

1048 o If the State Abbreviation (SEQ 0087) is equal to "GU" |
and |
Wages, Salaries, and Tips (SEQ 0375) equals the total amount(s) |
of Wages (SEQ 0120) from Form(s) W-2GU |
and |
Wages, Salaries, and Tips (SEQ 0375) equals Total Income |
(SEQ 0600) from Form 1040/A or Adjusted Gross Income |
(SEQ 0750) from Form 1040EZ |
and |
Total Payments (SEQ 1250) equals the total amount(s) of Guam |
Withholding (SEQ 0130) from Form(s) W-2GU, then this return must |
be filed with the Department of Revenue and Taxation, Government |
of Guam. |

Section 11 – Specific Schedules and Forms

.02   Direct Deposit Information for Form 1040, Form 1040A, and Form 1040EZ

0019   o   When Direct Deposit information is present, Routing Transit
            Number (SEQ 1272) (RTN) must contain nine numeric characters.
            The first two positions must be 01 through 12, or 21 through 32;
            the RTN must be present on the Financial Organization Master File
            (FOMF); and the banking institution must process Electronic Funds
            Transfer (EFT). See Section 6 for optional Routing Transit
            Number validation.

       o   Depositor Account Number (SEQ 1278) must be alphanumeric (i.e.,
           only alpha characters, numeric characters, and hyphens), must be
           left-justified with trailing blanks if less than 17 positions,
           and cannot equal all zeros.

       o   If Routing Transit Number (SEQ 1272) or Depositor Account Number
           (SEQ 1278) is significant, then Checking Account Indicator
           (SEQ 1274) or Savings Account Indicator (SEQ 1276) must equal
           "X". Both cannot equal "X".

0105   o   When Direct Deposit information is present, the following fields
           must be significant: Routing Transit Number (SEQ 1272); Checking
           Account Indicator (SEQ 1274) or Savings Account Indicator
           (SEQ 1276); Depositor Account Number (SEQ 1278); and RAL
           Indicator (SEQ 1465).

.03   Form 1040 and Form 1040A (continued)

0008 o Total Box 6a and 6b (SEQ 167) must equal the number of boxes
         checked for Exempt Self (SEQ 160) and Exempt Spouse (SEQ 163).

      o Filing Status (SEQ 130) is a required field.

0011 o When Exempt Self (SEQ 160) equals "X", Total Exemptions (SEQ 360)
         must be greater than zero.

0012 o If Overpaid (SEQ 1260) is significant and ES Penalty Amount
         (SEQ 1300) is greater than Overpaid, then Amount Owed (SEQ 1290)
         must be significant. If Overpaid (SEQ 1260) is significant and ES
         Penalty Amount (SEQ 1300) is not greater than Overpaid, then Amount
         Owed (SEQ 1290) cannot be significant.

0037 o The number of Dependent Name Controls (SEQ 172, 182, 192, 202,
         212, or in the related Statement Record), must equal the total of   -|
         the following fields: Number of Children Who Lived with You
         (SEQ 240), Number of Children Not Living with You (SEQ 247), and
         Number of Other Dependents Listed (SEQ 350).

0041 o Dependent entries must start on Line 1 of the dependent
         information. No lines may be skipped when completing the
         dependent information.

0043 o When Filing Status (SEQ 130) equals "4", at least one of the
         following fields must be significant:
         Qualifying Name for H of Household (SEQ 150) and SSN for Qual
         Name (SEQ 153);
         Number of Children Who Lived with You (SEQ 240);
         Number of Other Dependents Listed (SEQ 350).

      o When Qualifying Name for H of Household (SEQ 150) is significant,
         SSN for Qual Name (SEQ 153) must be significant and within the
         valid ranges of SSN/ITIN/ATIN's and cannot equal Primary SSN
         (SEQ 010) or Secondary SSN (SEQ 030). Refer to Attachment 8 for
         valid ranges of Social Security/Taxpayer Identification Numbers.

0065 o When Exempt Spouse Ind (SEQ 163) equals "X", Filing Status
         (SEQ 130) must equal "2".

0066 o If any field of the following "dependent group" is significant,
         then all fields in that group must be significant: Dependent
         First Name, Dependent Last Name, Dependent Name Control,
         Dependent's SSN, and Relationship. (See Part II Record Layouts
         for Field Numbers.)

      o Dependent Name Control (SEQ 172, 182, 192, 202, 212) must be in   -|
         the correct format. See Section 7.01 for Name Control format.

0067 o Dependent First Name (SEQ 170, 180, 190, 200, 210) and Dependent   -|
         Last Name (SEQ 171, 181, 191, 201, 211) must contain only alpha   -|
         characters and spaces. A space cannot be in the first position
         of either Dependent First Name or Dependent Last Name.

  .03   Form 1040 and Form 1040A (continued)

0068 o When Dependent's SSN (SEQ 175, 185, 195, 205, 215) is   -|
         significant, it must be within the valid ranges of
         SSN/ITIN/ATIN's and cannot equal Primary SSN (SEQ 010) or
         Secondary SSN (SEQ 030) or another Dependent's SSN. It must
         equal all numeric characters and cannot equal all zeros or all
         nines. Refer to Attachment 8 for valid ranges of Social
         Security/Taxpayer Identification Numbers.

0073 o Form 1040/1040A - When Year Spouse Died (SEQ 155) is significant,
         it must equal **"2000"** or **"2001"** (i.e., one of the two years prior |
         to the tax year of the return) and Filing Status (SEQ 130) must
         equal "5".

      o When Filing Status (SEQ 130) equals "5", Number of Children Who
         Lived with You (SEQ 240) must be significant.

0076 o If Taxable Interest (SEQ 380) is greater than $400, or if Taxable
         Interest (SEQ 290) of Schedule B/Schedule 1 is significant, then
         Taxable Interest (SEQ 380) of Form 1040/1040A must equal Taxable
         Interest (SEQ 290) from Schedule B/Schedule 1.

0077 o If Total Ordinary Dividends (SEQ 394) is greater than $400, or if
         Total Ordinary Dividends (SEQ 525) of Schedule B/Schedule 1 is
         significant, then Total Ordinary Dividends (SEQ 394) of
         Form 1040/1040A must equal Total Ordinary Dividends (SEQ 525)
         from Schedule B/Schedule 1.

0083 o Credit for Child & Dependent Care (SEQ 925) must equal Credit for
         Child & Dependent Care (SEQ 330) from Form 2441/Schedule 2.

0084 o Credit for Elderly or Disabled (SEQ 930) must equal Credit
         (SEQ 250) from Schedule R/Schedule 3.

0088 o Overpaid (SEQ 1260) must equal the total of the following fields:
         Refund (SEQ 1270), Applied to ES Tax (SEQ 1280), and ES Penalty Amt
         (SEQ 1300).

0111 o When Must Itemize Indicator (SEQ 786) equals "X", Filing Status
         (SEQ 130) must equal "3".

0114 o If Taxable Amount of Social Security (SEQ 557) is significant,
         then Social Security Benefits (SEQ 553) must be significant.

0116 o If Total Payments (SEQ 1250) is not equal to Total Tax (SEQ 1138),
         then at least one of the following fields must be significant:
         Overpaid (SEQ 1260), Refund (SEQ 1270), Applied to ES Tax
         (SEQ 1280), Amount Owed (SEQ 1290).

0119 o If Filing Status (SEQ 130) equals "3", then State Abbreviation
         (SEQ 087) cannot equal any of the following states: AZ (Arizona),
         CA (California), ID (Idaho), LA (Louisiana), NM (New Mexico), NV
         (Nevada), TX (Texas), WA (Washington), and WI (Wisconsin).

      o Exception: If Filing Status equals "3" and Address Ind (SEQ 097)
         equals "2" (Stateside Military Address), then the State
         Abbreviation (SEQ 087) may equal one of the Community Property
         states listed above.

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 __.03__   __Form 1040 and Form 1040A (continued)__

0121 o Pensions Annuities Received (SEQ 485) cannot equal Taxable
        Pensions Amount (SEQ 495).

0127 o If Total Payments (SEQ 1250) is greater than Total Tax (SEQ 1138),
        and the total of Applied to ES Tax (SEQ 1280) plus ES Penalty
        Amount (SEQ 1300) is equal to Overpaid (SEQ 1260), then Refund
        (SEQ 1270) cannot be significant.

0128 o If Total Payments (SEQ 1250) is greater than Total Tax (SEQ 1138),
        and the total of Applied to ES Tax (SEQ 1280) plus ES Penalty
        Amount (SEQ 1300) is less than Overpaid (SEQ 1260), then Refund
        (SEQ 1270) must be greater than zero.

0129 o If Total Payments (SEQ 1250) equals Total Tax (SEQ 1138), then the
        following fields cannot be significant: Overpaid (SEQ 1260),
        Refund (SEQ 1270), and Applied to ES Tax (SEQ 1280).

0130 o If Total Itemized or Standard Deduction (SEQ 789) contains one of
        the following amounts: $**4825, 5725, 5850, 7000, 8050, 8750, 9200,** |
        9650, 10550, or 11450; and Modified Standard Deduction Ind (SEQ |
        787) of Form 1040 is blank; then at least one of following fields
        must equal "X": Self 65 or Over Box (SEQ 772), Self Blind Box
        (SEQ 774), Spouse 65 or Over Box (SEQ 776), Spouse Blind Box
        (SEQ 778).

     o Exception for Form 1040: This check is not performed when one or
        more of the following forms are present: Schedule A,
        Form 4563.

0131 o If Number of Children Not Living with You (SEQ 247) is
        significant, then at least one Relationship (SEQ 177, 187, 197,
        207, 217) must equal "CHILD", "DAUGHTER", "GRANDCHILD", or "SON".   -|

0134 o Form 1040 - If Exempt Self (SEQ 160) equals "X", and Must Itemize
        Indicator (SEQ 786), and Modified Standard Deduction Ind (SEQ 787)
        and Itemize Election Ind (SEQ 788) are blank, and Schedule A and Form
        4563 are not present; then Total Itemized or Standard Deduction (SEQ
        789) must equal a valid standard deduction.

     o Form 1040A – If Exempt Self (SEQ 160) equals "X", and Must Itemize
        Indicator (SEQ 786) and Modified Standard Deduction Ind (SEQ 787)
        are blank; then Total Itemized or Standard Deduction (SEQ 789) must
        equal a valid standard deduction.

0136 o Form 1040 - If Form 2210 or Form 2210F is present, then ES Penalty
        Amount (SEQ 1300) of Form 1040 must equal Underpayment
        Penalty/Short Method (SEQ 240) or Total Underpayment Penalty
        (SEQ 720) from Form 2210, or Underpayment Penalty/Farmers
        Fishermen (SEQ 180) from Form 2210F.

     o Form 1040A - If Form 2210 is present, then ES Penalty Amount
        (SEQ 1300) of Form 1040A must equal Underpayment Penalty/Short
        Method (SEQ 240) or Total Underpayment Penalty (SEQ 720) from
        Form 2210.

0138 o Total Exemptions (SEQ 360) must equal the total of the following
        fields: Total Box 6a and 6b (SEQ 167); Number of Children Who
        Lived with You (SEQ 240); Number of Children Not Living with You
        (SEQ 247); and Number of Other Dependents Listed (SEQ 350).

.03   Form 1040 and Form 1040A (continued)

0158 o If Credit for Elderly or Disabled (SEQ 930) is significant, and
         Self 65 or Over Box (SEQ 772) and Spouse 65 or Over Box (SEQ 776)
         are blank, then one of the following fields from
         Schedule R/Schedule 3 must be significant: Retire/Disabled
         (SEQ 020); Both Under 65, One Retired (SEQ 040); Both Under 65,
         Both Retired (SEQ 050); Under 65, Did Not Live with Spouse
         (SEQ 090).

0188 o When Filing Status (SEQ 130) equals "3", Earned Income Credit
         (SEQ 1180) cannot be significant.

0164 o **If Credit for Qualified Retirement Savings (SEQ 937/953) is** |
         significant, then Form 8880 must be attached. |

0191 o Form 1040 - Total Credits (SEQ 1020) must equal the total of the
         following fields: Foreign Tax Credit (SEQ 922), Credit for Child &
         Dependent Care (SEQ 925), Credit for Elderly or Disabled
         (SEQ 930), Education Credits (SEQ 935), **Credit for Qualified** |
         Retirement Savings (SEQ 937), Child Tax Credit (SEQ 940), Adoption |
         Credit (SEQ 960), **Credits from Form 8396 and Form 8859 (SEQ 995),** |
         Other Credits (SEQ 1015), and Nonconventional Source Fuel Credit   -|
         Amount (SEQ 1018).

      o
         Form 1040A - Total Credits (SEQ 1020) must equal the total of the
         following fields: Credit for Child & Dependent Care (SEQ 925),
         Credit for Elderly or Disabled (SEQ 930), **Credit for Qualified** |
         Retirement Savings (SEQ 953), Child Tax Credit (SEQ 955), |
         Education Credits (SEQ 950), Adoption Credit (SEQ 960) and Rate
         Reduction Credit (SEQ 1016).

0198 o Form 1040 - Total Payments (SEQ 1250) must equal the total of the
         following fields: Withholding (SEQ 1160), ES Payments (SEQ 1170),
         Earned Income Credit (SEQ 1180), Additional Child Tax Credit
         (SEQ 1186), F4868 Amount (SEQ 1190), Excess SS Tax (SEQ 1184), and
         Other Payments (SEQ 1210).

      o Form 1040A – Total Payments (SEQ 1250) must equal the total of the
         following fields: Withholding (SEQ 1160), ES Payments (SEQ 1170),
         Earned Income Credit (SEQ 1180), Additional Child Tax Credit
         (SEQ 1186), F4868 Amount (SEQ 1190), and Excess SS Tax (SEQ 1200).

0199 o **Form 1040/1040A – Educator Expenses (SEQ 0623) cannot be greater** |
         than $500 if filing status is "2" and $250 for all other filing |
         statuses. |

0200 o When Earned Income Credit (SEQ 1180) is greater than $**376,** |
         Schedule EIC must be present.

0221 o Advanced EIC Payments (SEQ 1105) must equal the total of Advance
         EIC Payment (SEQ 200) from Form(s) W-2 **and/or W-2GU.** |

0243 o Form 1040 - If Schedule A is not present and Must Itemize
         Indicator (SEQ 786) equals "X" or Itemized Election Ind (SEQ 788)
         equals "IE", then Total Itemized or Standard Deduction (SEQ 789)
         must equal zero.

      o Form 1040A - If Must Itemize Indicator (SEQ 786) equals "X", then
         Total Itemized or Standard Deduction (SEQ 789) must equal zero.

 .03   Form 1040 and Form 1040A (continued)

0252 o When Form 8615 is present, Tax (SEQ 915) of Form 1040 or Tax
         (SEQ 860) of Form 1040A must equal Form 8615 Tax (SEQ 290) from
         Form 8615.

0281 o When Filing Status (SEQ 130) equals "3", Form 8815 cannot be
         present.

0370 o When any occurrence of Eligibility for Child Tax Credit (SEQ 178,
         188, 198, 208, 218) is significant, the corresponding Relationship -|
         (SEQ 177, 187, 197, 207, 217) must equal either CHILD, SON,   -|
         DAUGHTER, GRANDCHILD, or FOSTERCHILD and the Dependent's age must
         be under 17.

0372 o When Child Tax Credit (SEQ 940/955) is significant, at least one
         Eligibility for Child Tax Credit (SEQ 178, 188, 198, 208, 218)
         must equal "X".   -|

0373 o When Additional Child Tax Credit (SEQ 1186) is significant, one
         or more Eligibility for Child Tax Credit (SEQ 178, 188, 198, 208,
         218) must equal "X" and Form 8812 must be present.   -|

      o When Form 8812 is present, Additional Child Tax Credit (SEQ 1186)
         must be significant and one or more Eligibility for Child Tax
         Credit (SEQ 178, 188, 198, 208, 218) must equal "X".   -|

0374 o When Form 8812 is present, Additional Child Tax Credit (SEQ 1186)
         of Form 1040/1040A must equal Additional Child Tax Credit
         (SEQ 120) from Form 8812.

0382 o If Education Credits (SEQ 935/SEQ 950) is significant, Form 8863
         must be present. If Form 8863 is present, Education Credits
         (SEQ 935/SEQ 950) must be significant.

0384 o When the filing status is "Married Filing Joint" and Education
         Credits (SEQ 935/SEQ 950) is significant, the Adjusted Gross
         Income (SEQ 750) must be less than $**102,000**. When the filing |
         status is "Single" or "Head of Household" and Education Credits
         (SEQ 935/SEQ 950) is significant, the Adjusted Gross Income (SEQ
         750) must be less than $**51,000**. |

0386 o When Adjusted Gross Income (SEQ 750) plus Student Loan Interest
         Deduction (SEQ 628) is more than $**130,000** for "Married Filing |
         Joint" or is more than $**65,000** for "Single" or "Head of |
         Household" or "Qualifying Widow(er)", the Student Loan Interest
         Deduction (SEQ 628) is not allowed.

0387 o Form 1040/1040A - The Education Credits cannot exceed $5500.

0388 o When Student Loan Interest Deduction (SEQ 628) is significant,
         the filing status cannot equal "Married Filing Separately".

0389 o Student Loan Interest Deduction (SEQ 628) must not exceed $2500.

0486 o When Adoption Credit (SEQ 960) is significant, Form 8839 must be
         present.

Section 11 - Validation - Specific Schedules and Forms

.04 Form 1040

**0040 o If the State Abbreviation (SEQ 0087) is equal to "SO", then the
             highest sequence number present cannot be greater than the Zip
             Code (SEQ 0095).**

0070 o If Other Adjustments Literal (SEQ 720) equals "JURY PAY", then at
         least one Type of Other Income (SEQ 560) must equal "JURY PAY".

0078 o Capital Gain/Loss (SEQ 450) must equal one of the following
         fields from Schedule D: Combined Net Gain/Loss (SEQ 1848) or
         Allowable Loss (SEQ 1849).

0079 o Rent/Royalty/Part/Estates/Trusts Inc (SEQ 510) must equal Total
         Income or Loss (SEQ 1150) or Total Supplemental Income (Loss)
         (SEQ 2010) from Schedule E.

0080 o Current Year Moving Expenses (SEQ 637) must equal Moving Exp
         Deduction (SEQ 180) from Form(s) 3903.

0081 o If F4684 Literal (SEQ 460) is not significant, then Other
         Gain/Loss (SEQ 470) of Form 1040 must equal Redetermined
         Gain/Loss (SEQ 1030) from Form 4797.

0082 o If Schedule A is present, then Total Itemized or Standard
         Deduction (SEQ 789) of Form 1040 must equal Total Deductions
         (SEQ 520) from Schedule A.

0086 o If Exempt/Form 4361 Box (SEQ 025) of Schedule(s) SE and Exempt SE
         Tax Indicator (SEQ 1035) of Form 1040 are blank, then Self
         Employment Tax (SEQ 1040) of Form 1040 must equal Self-Employment
         Tax (SEQ 160) from Schedule(s) SE.

0087 o Alternative Minimum Tax (SEQ 918) must equal Alternative Minimum
         Tax (SEQ 340) from Form 6251.

0089 o When Total Alimony Paid (SEQ 697) is significant, Recip Soc Sec
         No. (SEQ 693) must be significant, and vice versa.

      o When Recip Soc Sec No. (SEQ 693) is significant, it must be
         within the valid ranges of SSN/ITIN's, cannot equal an ATIN, and
         cannot equal Primary SSN (SEQ 010). Refer to Attachment 8 for
         valid ranges of Social Security/Tax Identification Numbers.

0097 o When Capital Distribution Box (SEQ 447) equals to "X", Capital
         Gain/Loss (SEQ 450) must be significant, Schedule D must not be
         present.

         When Capital Distribution Box (SEQ 447) is not equal to "X" and
         Capital Gain/Loss (SEQ 450) is significant, Schedule D must be
         present.

0099 o Business Income/Loss (SEQ 440) must equal the total of Net Profit
         (Loss) (SEQ 710) from Schedule(s) C plus Net Profit (SEQ 710)
         from Schedule(s) C-EZ.

0110 o If both Schedule D and Schedule J are present, then
         Tax (SEQ 915) of Form 1040 must equal Subtract Line 21 from Line
         17 (SEQ 220) of Schedule J.

 .04 **Form 1040 (continued)**

0112 o When Retirement Tax Plan Literal (SEQ 1095) is blank, Tax on
        Retirement Plans (SEQ 1100) must equal the total of the following
        fields from Form(s) 5329: Total Section 72 Tax on Early
        Distributions (SEQ 078), Tax on Ed IRA Distrib Not Used for Educ
        Expenses (SEQ 091), Excess Contributions Tax on Traditional IRA
        (SEQ 160), Excess Contributions Tax on Roth IRA (SEQ 480), Excess
        Contribution Tax on Ed IRA (SEQ 570), Excess Contributions Tax on
        MSA (SEQ 660), and Tax on Excess Accumulations (SEQ 720).

     o When Retirement Tax Plan Literal (SEQ 1095) equals "NO", Form 5329
        does not have to be present, but Tax on Retirement Plans
        (SEQ 1100) of Form 1040 must be significant and Distribution Code
        (SEQ 190) of Form 1099-R must equal "1".

0115 o If Railroad Retire Indicator (SEQ 1070) is blank, then Social
        Security & Medicare Tax on Tips (SEQ 1080) of Form 1040 must
        equal F1040 Social Security Medicare Tax on Tips (SEQ 200) from
        Form(s) 4137.

0132 o When Capital Distribution Box (SEQ 447) equals to "X", Capital
        Gain/Loss (SEQ 450) must contain a positive amount.

0135 o When F4684 Literal (SEQ 460) equals "F4684", Form 4684 must be
        present.

0140 o Farm Income (SEQ 520) must equal Net Farm Profit or Loss
        (SEQ 680) from Schedule(s) F.

0150 o When F4255 Literal (SEQ 1121) and F4255 Amount (SEQ 1122) are
        significant, Form 4255 must be present and Total Increase Tax
        (SEQ 530) of Form 4255 must be significant.

     o When Form 4255 is present, F4255 Literal (SEQ 1121) and F4255
        Amount (SEQ 1122) of Form 1040 must be significant.

0175 o When Other Adjustment Amount (SEQ 730) or Total Other Adjustments
        (SEQ 735) is significant, Total Adjustments (SEQ 740) must be
        significant.

0178 o When Other Form Block (SEQ 1006) equals "X", one of the following
        forms must be present: Form 3468, Form 5884, Form 6478, Form 6765,
        Form 8586, Form 8820, Form 8826, Form 8830, Form 8835, Form 8845,
        Form 8846, Form 8847, Form 8861.   -|

0179 o When Nonconventional Source Fuel Credit Literal (SEQ 1017) is
        significant, Nonconventional Source Fuel Credit Amount (SEQ 1018)
        must be significant and vice versa.

        When Nonconventional Source Fuel Credit Amount (SEQ 1018) is
        significant, then Nonconventional Source Fuel Credit (SEQ 1025)
        must contain "STMbnn".

0189 o If Total Adjustments (SEQ 740) is significant, then at least one
        of the following fields must be significant: SEQ **623**, 626, 628, |
        630, 632, 637, 640, 645, 650, 680, 697, 730, 735. |

.04 Form 1040 (continued)

0196 o When Social Security & Medicare Tax on Tips (SEQ 1080) is
         significant, Form 4137 must be present.

      o When F1040 Social Security Medicare Tax on Tips (SEQ 200) of
         Form 4137(s) is significant, Social Security & Medicare Tax on
         Tips (SEQ 1080) of Form 1040 must be significant.

0236 o Household Employment Taxes (SEQ 1107) must equal the total of the
         following fields from Schedule(s) H: Total Taxes Less Advance EIC
         Payments (SEQ 140) plus FUTA Tax (SEQ 240).

0245 o When Form 8396 Block (**SEQ 985**) equals "X", Form 8396 must be |
         present.

         Form 1040 - When Form 3800 Block (**SEQ 1000**) equals "X", Form 3800 |
         must be present.

0260 o When Form 8814 is present, Form 8814 Block (SEQ 853) of Form 1040
         must equal "X" and Form 8814 Amount (SEQ 857) of Form 1040 must
         be significant. When Form 8814 Block (SEQ 853) equals "X",
         Form 8814 must be present and Form 8814 Amount (SEQ 857) must be
         significant.

0263 o If Form 1040 Other Income (SEQ 200) of Form 8814 is significant,
         then Type of Other Income (SEQ 560) of Form 1040 must equal
         "FORM 8814" and Total Other Income (SEQ 590) of Form 1040 must be
         significant.

0270 o When Form 4972 Block (SEQ 880) equals "X", Form 4972 must be
         present.

0277 o When Other Tax Literal (SEQ 1110) equals "ADT", Form 4970 must be
         present, and vice versa.

0285 o If schedule D is present and no Schedule J is present, and Tax (SEQ
         2236) of Schedule D is significant, then Tax (SEQ 915) of Form 1040
         must equal or be greater than Tax (SEQ 2236) of Schedule D.

0287 o When F8828 Literal (SEQ 1123) equals "FMSR", Form 8828 must be
         present.

      o When F8828 Amount (SEQ 1124) is significant, Recapture Tax Due
         (SEQ 280) of Form 8828 must be significant, and vice versa.

0357 o Archer MSA Deduction (SEQ 632) must equal Medical Savings Account
         Deduction (SEQ 200) from Form 8853, when either field is
         significant.

0360 o If Type of Other Income (SEQ 560) equals "MSA" and the
         corresponding Amount of Other Income (SEQ 570) is present, then
         Form 8853 must be present.

      o If Taxable MSA Distributions (SEQ 250) of Form 8853 is
         significant, then Type of Other Income (SEQ 560) of Form 1040
         must equal "MSA" and the corresponding Amount of Other Income
         (SEQ 570) of Form 1040 must be present.

.04 **Form 1040 (continued)**

0361 o If Other Tax Literal (SEQ 1110) equals "MSA" and the corresponding Other Tax Amount (SEQ 1112) is present, then Form 8853 must be present.

  o If Total Taxable MSA Distributions (SEQ 270) of Form 8853 is significant, then Other Tax Literal (SEQ 1110) of Form 1040 must equal "MSA" and the corresponding Other Tax Amount (SEQ 1112) of Form 1040 must be present.

0364 o If Type of Other Income (SEQ 560) equals "LTC" and the corresponding Amount of Other Income (SEQ 570) is present, then Form 8853 must be present.

  o If Taxable Payments (SEQ 450) of Form 8853 is greater than zero, then Type of Other Income (SEQ 560) must equal "LTC" and the corresponding Amount of Other Income (SEQ 570) must be present.

0420 o When Form 4136 Block (SEQ 1205) is equal to "X", Form 4136 must be present, and vice versa.

0426 o Other Payments (SEQ 1210) must equal the total of Tax Paid by Regulated Investment Company (SEQ 230) from Form 2439 plus Total Income Tax Credit Amount (SEQ 820) from Form 4136.

0454 o Earned Income Credit (SEQ 1180) cannot be significant when Form 2555 or Form 2555EZ is present.

0456 o When Housing/Foreign Earned Income Exclusion Literal (SEQ 574) equals "FORM 2555", Form 2555 must be present.

  o When Housing/Foreign Earned Income Exclusion Literal (SEQ 574) equals "FORM 2555-EZ", Form 2555EZ must be present.

0457 o The absolute value of Housing/Foreign Earned Income Exclusion Amount (SEQ 577) must equal the total of the following fields: Max. of Housing and Foreign Earned Inc. Exclusions (SEQ 1260) from Form 2555(s) plus Max. of Foreign Earned Inc. Exclusion (SEQ 1260) from Form(s) 2555EZ.

0458 o When Other Adjustments Literal (SEQ 720) equals "FORM 2555", Form 2555 must be present.

0459 o If Other Adjustments Literal (SEQ 720) equals "FORM 2555", then Other Adjustment Amount (SEQ 730) must equal Total Housing Deduction (SEQ 1310) from Form(s) 2555.

0494 o If Form 8689 Amount (SEQ 1246) is significant, then Form 8689 must be present.

0495 o If Filing Status (SEQ 0130) is not equal to "2",then only one Form 4563 can be present.

  o If Filing Status (SEQ 0130) is equal to "2", then two Forms 4563 can be present.

0666 o If Form 8801 Block (SEQ 1005) is equal to "X", then Form 8801 must be present.

.04 **Form 1040 (continued)**

0717 o Form 1040 – When F8697 or F8866 Literal (SEQ 1129) is equal to
        FORM 8697" or "FORM8866", then Form 8697 or F8866 must be present.

      o Form 1040 – When F8697 Amount (SEQ 1131) is significant, then
         REG–Net Amount of Interest You Owe (SEQ 460) or SMI–Net Amount of
         Interest You Owe (SEQ 830) of Form 8697 must be significant.

      o Form 1040 – When F8866 Amount (SEQ 1131) is significant, then Net
         Amount of Interest You Owe (SEQ 460) of Form 8866 must be
         significant.

      o When REG–Net Amount of Interest You Owe (SEQ 460) or SMI–Net Amount
         of Interest You Owe (SEQ 830) of Form 8697 is significant, then
         F8697 Amount (SEQ 1131) must be significant.

      o When Net amount of Interest You Owe (SEQ 460) of Form 8866 is
         significant, then F8866 Amount (SEQ 1131) of Form 1040 must be
         significant.

0721 o When Other Form Literal (SEQ 1010) equals "8834", Form 8834 must be
        present.
      o When Other Form Literal (SEQ 1010) equals "8844", Form 8844 must be
         present.

                                                                          -|

0722 o When Other Credits (SEQ 1015) is significant, at least one of the
        following forms must be present:
        Form 3468, Form 3800, Form 5884, Form 6478, Form 6765, Form 8586,   -|
        Form 8801, Form 8820, Form 8826, Form 8830, Form 8834, Form 8835,
        Form 8844, Form 8845, Form 8846, Form 8847, or Form 8861.   -|

0778 o When F8611 Literal (SEQ 1114) equals "LIHCR" and F8611 Amount
        (SEQ 1116) is significant, then Form 8611 must be present.

0779 o If F8693 Approved Indicator (SEQ 1118) is significant, then F8693
        Approved Date (SEQ 1119) must be significant. If F8693 Approved
        Date (SEQ 1119) is significant, then F8693 Approved Indicator
        (SEQ 1118) must be significant

0790 o If Form 2439 Block (SEQ 1202) equal "X", then Form 2439 must be
        present and vice versa.

0791 o If Other Payments (SEQ 1210) is significant, then at least one of
        the following must equal "X": Form 2439 Block (SEQ 1202), Form 4136
        Block (SEQ 1205).

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.05 Form 1040A

0038 o Taxable Income (SEQ 820) must be less than $50000 and only the
        following can be present: Schedule 1, Schedule 2, Schedule 3,
        Schedule EIC, Form W-2, **W-2GU, Form 1099-G**, Form 1099-R, |
        Form 2120, Form 2210, Form 8379, Form 8615, Form 8812, Form 8815, |
        Form 8839, Form 8862, Form 8863, Form 9465, Authentication Record,
        Preparer Note Record, Election Explanation Record, Regulatory
        Explanation Record and Form Payment.

.06 Form 1040EZ

0039 o Form 1040EZ - Primary taxpayer (and secondary taxpayer when
        Secondary SSN (SEQ 030) is significant) must be under age 65,
        Taxable Interest (SEQ 380) cannot exceed $400, Taxable Income
        (SEQ 820) must be less than $50000, and only the following can be
        present: Form W-2, **W-2GU, Form 1099-G**, Form 8379, Form 8862, |
        Form 9465, Authentication Record, Preparer Note Record, Election
        Explanation Record, Regulatory Explanation Record and
        Form Payment.

0159 o If Dependent No-Ind (SEQ 785) equals "X", then Combined Standard
        Deduction and Personal Exemption (SEQ 815) must equal $**7700** when |
        Secondary SSN (SEQ 030) is not significant, and must equal $**13850** |
        when Secondary SSN (SEQ 030) is significant.

     o If Dependent Yes-Ind (SEQ 784) equals "X", then Combined Standard
        Deduction and Personal Exemption (SEQ 815) cannot exceed $**4700** |
        when Secondary SSN (SEQ 030) is not significant, and cannot exceed
        $**10850** when Secondary SSN (SEQ 030) is significant. |

0161 o Dependent Yes-Ind (SEQ 784) and Dependent No-Ind (SEQ 785) cannot
        both equal "X" and cannot both equal blank.

0162 o Earned Income Credit (SEQ 1180) cannot exceed $**377** and Adjusted |
        Gross Income (SEQ 750) must be less than $**11060.** |

     o When Dependent Yes-Ind (SEQ 784) equals "X", Earned Income Credit
        (SEQ 1180) cannot be significant.

0194 o If Taxable Interest (SEQ 380) is not significant, then Adjusted
        Gross Income (SEQ 750) must equal the total of Wages, Salaries,
        Tips (SEQ 375) plus Unemployment Compensation (SEQ 552).

Section 11 - Validation - Specific Schedules and Forms

.07 Error Reject Codes for Schedules

1. Schedule A

0015 o The following literal values cannot be present in Other Expenses
        Type (SEQ 420, 432) or in Other Expense Type (SEQ 475):
        "CASUALTY", "CHILD CARE", "CHILD-CARE", "CHILDCARE", "DEPENDENT
        CARE", "MEDICAL", "THEFT".

0113 o When Non-Cash/Check Contribution (SEQ 360) is greater than $500,
        Form 8283 must be present.

0170 o Casualty/Theft Loss (SEQ 390) must equal Line 16 Minus Line 17
        (SEQ 450) from Form 4684, when either field is significant.

0197 o When Other Expense Amount (SEQ 485) is significant, Total Other
        Expenses Limit (SEQ 495) must be significant.

2. Schedule B and Schedule 1

0280 o When Excludable Savings Bond Interest (SEQ 289) is significant,
        Form 8815 must be present. Excludable Savings Bond Interest
        (SEQ 289) of Schedule B/Schedule 1 must equal Excludable Savings
        Bond Interest (SEQ 290) from Form 8815.

3. Schedule C

0098 o Gross Receipts Less Returns Allowances (SEQ 220) must equal Gross
        Receipts/Sales (SEQ 200) minus Returns/Allowances (SEQ 210).

0100 o When Net Profit (Loss) (SEQ 710) is less than zero and Some Is
        Not At Risk (SEQ 730) equals "X", Form 6198 must be present.

0117 o At least one of the following fields must be significant: Gross
        Receipts/Sales (SEQ 200), Gross Income (SEQ 270), Total Expenses
        (SEQ 700), Tentative Profit/Loss (SEQ 702), Net Profit (Loss)
        (SEQ 710).

0149 o When Other Clos Inv Method (SEQ 744) equals "X", Other Meth
        Explanation (SEQ 746) must equal "STMbnn".

0183 o If Car/Truck Expenses (SEQ 293) is significant, then Vehicle
        Service Date (SEQ 820) and Business Miles (SEQ 830) must be
        significant, or Form 4562 must be present.

0187 o Employer ID Number (SEQ 060) cannot equal Primary SSN (SEQ 010)
        or Secondary SSN (SEQ 030) of Form 1040.

 .07 **Error Reject Codes for Schedules** (continued)

   4.   **Schedule C-EZ**

0036 o Only one Schedule C-EZ is allowed for the Primary SSN and one for
        the Secondary SSN (a total of two Schedules C-EZ per tax return
        when Filing Status (SEQ 130) equals "2"). When a taxpayer files
        Schedule C-EZ, no Schedule C is allowed for that taxpayer. See
        Section 4.02.2.a for instructions for multiple occurrences of
        Schedules C/C-EZ.

0240 o Total Expenses (SEQ 700) cannot be greater than $2500 and Net
        Profit (SEQ 710) cannot be less than zero.

0241 o At least one of the following fields must be significant: Gross
        Receipts/Sales (SEQ 200), Total Expenses (SEQ 700), Net Profit
        (SEQ 710).

0242 o Employer ID Number (SEQ 060) cannot equal Primary SSN (SEQ 010)
        or Secondary SSN (SEQ 030) of Form 1040.

   5.   **Schedule D**

0250 o When Investment Capital Gain (SEQ 1870) is significant, Form 4952
        must be present. Investment Capital Gain (SEQ 1870) of
        Schedule D must equal Investment Capital Gain (SEQ 036) from
        Form 4952.

   6.   **Schedule E**

0102 o If Some is Not At Risk (SEQ 1180, 1238, 1298, 1358, 1418) equals
        "X" on any Schedule E, and the corresponding Part/S-Corp
        Nonpassive Sch K-1 Loss (SEQ 1192, 1253, 1313, 1373, 1433) is
        significant, then Form 6198 must be present.

0106 o If more than one Schedule E is present, only the first occurrence
        of Schedule E can contain entries in the following fields:
        SEQ 125, 155, 380, 1000, 1040, 1110, 1120, 1150, 1445, 1455, 1475,
        1485, 1495, 1750, 1755, 1765, 1913, 1917, 1923, 1927, 1933, 1937,
        1939, 1943, 1945, 1977, 1991, 2010, and 2020.

0169 o At least one of the following fields must be significant on the
        first occurrence of Schedule E: Total Rents Received (SEQ 125);
        Total Royalties Rec'd (SEQ 155); Rental & Royalty Deduction
        (SEQ 1000); Total Income (SEQ 1110); Total Losses (SEQ 1120);
        Part/S-Corp Name A (SEQ 1170); Tot Part/S-Corp Income (SEQ 1750);
        Tot Part/S-Corp Loss and Sec 179 Deduction (SEQ 1755); Tot
        Estate/Trust Inc (SEQ 1933); Tot Estate/Trust Loss (SEQ 1937);
        Total REMIC Income (SEQ 1977); Net Farm Rental Income/Loss
        (SEQ 1991); Farming/Fishing Share (SEQ 2020); Net Rental Real
        Estate Income/Loss (SEQ 2030).

.07 Error Reject Codes for Schedules (continued)

0184 o Schedule E – If Net Farm Rental Income/Loss (SEQ 1991) on the
         first occurrence of Schedule E is present, then Form 4835 must be
         present.

      o When one Form 4835 is present, Net Farm Rental Income/Loss
         (SEQ 1991) of Schedule E must equal one of the following fields
         from Form 4835: Net Farm Rent Profit (SEQ 610) or Net Farm Rent
         (Loss) (SEQ 630).

      o When multiple Forms 4835 are present, Net Farm Rental Income/Loss
         (SEQ 1991) of Schedule E must equal the sum of the following from
         Forms 4835: Net Farm Rent Profit (SEQ 610) (when greater than
         zero) minus Net Farm Rent (Loss) (SEQ 630).

      o Note: Net Farm Rent (Loss) (SEQ 630) of Form 4835 is assumed to be
         a loss; the minus sign is not transmitted.

0286 o When Non Passive Activity Literal (SEQ 1130) is present, Non
         Passive Activity Amount (SEQ 1140) must be present, and vice
         versa.

   7.   Schedule EIC

0201 o Schedule EIC – If any field of the following "qualifying child
         group" is significant, then all fields in that group must be
         significant: Qualifying Child Name Control (SEQ 007, 077);
         Qualifying Child First Name (SEQ 010, 080); Qualifying Child Last
         Name (SEQ 011, 081); Year of Birth (SEQ 020, 090); Qualifying SSN
         (SEQ 015, 085); Relationship (SEQ 060, 130); and Number of Months
         (SEQ 070, 140).

      o Qualifying Child Name Control (SEQ 007, 077) must be in the
         correct format. See Section 7.01 for Name Control format.

0202 o Year of Birth (SEQ 020, 090) cannot be greater than current tax
         year.

0203 o Relationship (SEQ 060, 130) must equal one of the following:
         "CHILD", "DAUGHTER", "FOSTERCHILD", "GRANDCHILD", or "SON".

0205 o Schedule EIC – When Qualifying SSN (SEQ 015, SEQ 085) is
         significant, it must be within the valid ranges of SSN's. It must
         equal all numeric characters and cannot equal all zeros or all
         nines. Refer to Attachment 8 for valid ranges of Social Security
         Numbers.

0206 o If Year of Birth (SEQ 020, 090) is greater than "197**8**" and less |
         than "198**4**", then the corresponding Student "Yes" Box (SEQ 030, |
         100) or the corresponding Disabled "Yes" Box (SEQ 040, 110) must
         equal "X".

.07 **Error Reject Codes for Schedules** (continued)

0207 o If Relationship (SEQ 060, 130) equals "CHILD", "DAUGHTER",
       "GRANDCHILD", or "SON" and Year of Birth (SEQ 020, 090) does not
       equal "200**2**", then Number of Months (SEQ 070, 140) must be equal |
       to or greater than "07".

     o If Relationship (SEQ 060, 130) does not equal one of the above
       literal values and Year of Birth (SEQ 020, 090) does not equal
       "200**2**", then Number of Months (SEQ 070, 140) must equal "12". |

0216 o Qualifying SSN - 1 (SEQ 015) cannot equal Qualifying SSN - 2
       (SEQ 085). Qualifying SSN - 1 and - 2 (SEQ 050, 120) cannot equal
       Primary SSN (SEQ 010) or Secondary SSN (SEQ 030) of
       Form 1040/1040A.

0217 o When Year of Birth (SEQ 020, 090) is less than "197**9**", the |
       corresponding Disabled "Yes" Box (SEQ 040, 110) must equal "X".

0218 o Schedule EIC - When Year of Birth (SEQ 020, 090) equals "200**2**", |
       the corresponding Number of Months (SEQ 070, 140) must equal "12".

0222 o If Qualifying SSN - 1 (SEQ 015) is significant and Qualifying
       SSN - 2 (SEQ 085) is not significant, then Earned Income Credit
       (SEQ 1180) of Form 1040/1040A cannot exceed $**2506** and Adjusted |
       Gross Income (SEQ 750) of Form 1040/1040A must be less than |
       $**29201**.

     o If Qualifying SSN - 1 (SEQ 015) and Qualifying SSN - 2 (SEQ 085)
       are significant, then Earned Income Credit (SEQ 1180) of
       Form 1040/1040A cannot exceed $**4140** and Adjusted Gross Income |
       (SEQ 750) of Form 1040/1040A must be less than $**33178**. |

0476 o The following fields cannot equal "X": Disabled "No" Box – 1
       (SEQ 045) or Disabled "No" Box – 2 (SEQ 115).

8. Schedule F

0141 o At least one of the following fields must be significant: Gross
       Income Amount (SEQ 280), Total Expenses (SEQ 650), Net Farm
       Profit or Loss (SEQ 680).

0142 o Accounting Method Cash Indicator (SEQ 050) or Accounting Method
       Accrual Indicator (SEQ 060) must equal "X". Both indicators
       cannot equal "X".

0143 o Materially Participate Yes Indicator (SEQ 100) and Materially
       Participate No Indicator (SEQ 110) cannot both equal "X" and
       cannot both equal blank.

0182 o When Net Farm Profit or Loss (SEQ 680) is less than zero and Some
       Is Not at Risk Indicator (SEQ 700) equals "X", Form 6198 must be
       present.

.07 **Error Reject Codes for Schedules** (continued)

   9.   **Schedule H**

0208 o Cash Wages Over $1300 Paid Yearly - Yes (SEQ 040) and Cash Wages
        Over $1300 Paid Yearly - No (SEQ 045) cannot both equal "X" and
        cannot both equal blank.

0209 o Employer SSN (SEQ 020) on the first Schedule H must be
        significant and equal to Primary SSN (SEQ 010) or Secondary SSN
        (SEQ 030) of Form 1040.

0210 o Employer SSN (SEQ 020) on the second Schedule H must be
        significant and equal to Secondary SSN (SEQ 030) of Form 1040 and
        must not be equal to Employer SSN (SEQ 020) on the first
        Schedule H. When both spouses are filing Schedule H, the
        Schedule H for the primary taxpayer must precede the Schedule H
        for the secondary taxpayer.

0211 o Employer Identification Number (SEQ 030) cannot equal Primary SSN
        (SEQ 010) or Secondary SSN (SEQ 030) of Form 1040.

0212 o Name of State Where Unemplymnt Cntrbtns Paid (SEQ 200) must equal
        a standard state abbreviation. Refer to Attachment 3 for
        Standard Postal Service State Abbreviations.

0213 o Employer SSN (SEQ 020) and Employer Identification Number
        (SEQ 030) must be significant, must equal all numeric characters,
        and cannot equal all blanks or all zeros.

0214 o When two Schedules H are present, Employer Identification Number
        (SEQ 030) of the second Schedule H cannot equal Employer
        Identification Number of the first Schedule H.

0215 o Federal Income Tax Withheld - Yes (SEQ 050) and Federal Income
        Tax Withheld - No (SEQ 055) cannot both equal "X".

     o Cash Wage Over $1000 Paid Qtrly - No (SEQ 060) and Cash Wage Over
        $1000 Paid Qtrly - Yes (SEQ 065) cannot both equal "X".

     o Cash Wages Over $1000 Paid Qtrly - No (SEQ 150) and Cash Wages
        Over $1000 Paid Qtrly - Yes (SEQ 155) cannot both equal "X".

0219 o Page 2 must be present when all of the following fields equal "X":
        Cash Wage Over $1300 Paid Yearly - No (SEQ 045), Federal Income
        Tax Withheld - No (SEQ 055), and Cash Wage Over $1000 Paid Qtrly -
        Yes (SEQ 065).

0220 o When all of the following fields equal "X", Schedule H cannot be
        filed: Cash Wage Over $1300 Paid Yearly - No (SEQ 045), Federal
        Income Tax Withheld - No (SEQ 055), and Cash Wage Over $1000 Paid
        Qtrly - No (SEQ 060).

0223 o When Federal Income Tax Withheld - Yes (SEQ 050) equals "X",
        Federal Income Tax Withheld (SEQ 110) must be significant.

0224 o If Cash Wage Over $1300 Paid Yearly - No (SEQ 045) and Federal
        Income Tax Withheld - Yes (SEQ 050) equal "X", then Cash Wage Over
        $1000 Paid Qtrly - No (SEQ 060) and Cash Wage Over $1000 Paid
        Qtrly - Yes (SEQ 065) must be blank.

.07 Error Reject Codes for Schedules (continued)

0225 o When Cash Wage Over $1300 Paid Yearly - Yes (SEQ 040) equals "X",
        Social Security Wages (SEQ 070) and Medicare Wages (SEQ 090) must
        each be equal to or greater than $1300.

0226 o When Cash Wage Over $1300 Paid Yearly - Yes (SEQ 040) equals "X",
        the following fields must be blank: Federal Income Tax Withheld -
        Yes (SEQ 050), Federal Income Tax Withheld - No (SEQ 055), Cash
        Wage Over $1000 Paid Qtrly - No (SEQ 060), and Cash Wage Over
        $1000 Paid Qtrly - Yes (SEQ 065).

0227 o When Page 2 of Schedule H is present, Cash Wages Over $1000 Paid
        Qtrly - No (SEQ 150) cannot equal "X".

     o When Page 2 is not present, Cash Wages Over $1000 Paid Qtrly -
        Yes (SEQ 155) cannot equal "X".

0228 o Social Security Wages (SEQ 070) cannot be greater than Medicare
        Wages (SEQ 090).

0229 o When Page 2 of Schedule H is present, Total Taxes from Line 8
        (SEQ 520) must equal Total Taxes Less Advance EIC Payments
        (SEQ 140) from Page 1.

0235 o When Page 2 of Schedule H is present, Total Taxable Wages for
        FUTA (Section A) (SEQ 230) must be significant.

  10.   Schedule J

0390 o Amount from Line 6 (SEQ 100) must equal One-third Elected Farm
        Income (SEQ 060).

     o One-third Elected Farm Income (SEQ 140) must equal One-third
        Elected Farm Income (SEQ 060).

0391 o The following fields must contain an amount greater than or equal
        to zero: SEQ 040, SEQ 060, SEQ 070, SEQ 080, SEQ 120, SEQ 160,
        SEQ 180, SEQ 190, SEQ 200, and SEQ 210.

0392 o Taxable Income (SEQ 010) must equal Taxable Income (SEQ 820) of
        Form 1040.

0393 o When Add Lines 4,8,12,and 16 (SEQ 170) is greater than zero, then
        one of the following fields must be greater than zero: Tax on
        Line 3 (SEQ 040) or Tax on Line 7 (SEQ 080) or Tax on Line 11
        (SEQ 120) or Tax on Line 15 (SEQ 160).

.07 Error Reject Codes for Schedules (continued)

  11.   **Schedule R and Schedule 3**

0085 o Taxable Disability (SEQ 150) must be significant when one of the
       following fields equals "X": Retire/Disabled (SEQ 020); Both
       Under 65, One Retired (SEQ 040); Both Under 65, Both Retired
       (SEQ 050); One Over 65, Other Retired (SEQ 060); Under 65, Did
       Not Live With Spouse (SEQ 090).

0133 o If Nontaxable SSB/RRB (SEQ 163) or Nontaxable Other (SEQ 167) is
       significant, then Pensions & Annuities (SEQ 170) must be
       significant.

0163 o One of the following fields must be significant: SEQ 010, 020,
       030, 040, 050, 060, 070, 080, 090.

  12.   **Schedule SE**

0046 o SSN of Self-Employed (SEQ 020) on the first Schedule SE must be
       significant and equal to Primary SSN (SEQ 010) or Secondary SSN
       (SEQ 030) of Form 1040.

0047 o SSN of Self-Employed (SEQ 020) on the second Schedule SE must be
       significant and equal to Secondary SSN (SEQ 030) of Form 1040 and
       must not be equal to SSN of Self-Employed (SEQ 020) on the first
       Schedule SE. When both spouses are filing Schedule SE, the
       Schedule SE for the primary taxpayer must precede the Schedule SE
       for the secondary taxpayer.

0107 o If SST Wages/RRT Comp (SEQ 088) or Unreported Tips (SEQ 090) is
       significant, then Total Wages/Unreported Tips (SEQ 100) must be
       significant.

0195 o When Self-Employment Tax (SEQ 160) is significant, Deduction for
       1/2 of Self Employment Tax (SEQ 165) must be significant, and
       vice versa.

     o If Self-Employed Deduction Schedule SE (SEQ 640) of Form 1040 is
       significant, it must equal Deduction for 1/2 of Self Employment
       Tax (SEQ 165) from Schedule(s) SE. If Deduction for 1/2 of Self
       Employment Tax (SEQ 165) of Schedule SE is significant, and
       Exempt-Notary Literal (SEQ 050) is not significant, then Self-
       Employed Deduction Schedule SE (SEQ 640) of Form 1040 must be
       significant.

<u>**Section 11 - Validation - Specific Schedules and Forms**</u>

 .08 <u>**Error Reject Codes for Forms**</u>

  1. <u>**Form W-2**</u>

0122 o Employer Identification Number (SEQ 040) must be numeric, the
        first two digits of Employer Identification Number (SEQ 040) must
        equal a valid District Office Code, Employer Name Control
        (SEQ 045) must be significant, and W-2 Indicator (SEQ 510) must
        equal "N" or "S". Refer to Attachment 7 for District Office
        Codes. See Section 7.05 for Business Name Control format.

     o Note: The value "N" (Non-Standard) indicates that the Form W-2
        was altered, handwritten, or typed, or that a cumulative Earnings
        Statement or a substitute Form W-2 was used. The value "S"
        (Standard) identifies a Form W-2 that is a computer-produced
        print, an IRS form, or an IRS-approved facsimile.

0123 o The following fields must be significant:
        Employer Name (SEQ 050), Employer Address (SEQ 060), Employee
        Name (SEQ 090), Employee Address (SEQ 100); Employee City
        (SEQ 110), Employee State (SEQ 113), Employee Zip Code (SEQ 115),
        and Wages (SEQ 120).

     o Exception: The check for Wages (SEQ 120) is bypassed when Combat
        Pay has been excluded from Wages.

0139 o Employee SSN (SEQ 080) must equal Primary SSN (SEQ 010) or
        Secondary SSN (SEQ 030) of the Tax Form.

0289 o When Advance EIC Payment (SEQ 200) is significant, taxpayer
        cannot file Form 1040EZ.

0290 o Employer State (SEQ 073) and Employer Zip Code (SEQ 075) must be
        significant and valid. Employer Zip Code (SEQ 075) must be
        consistent with Employer State (SEQ 073).

        Payer's State (SEQ 070) and Payer's Zip Code (SEQ 080) must be |
        significant and valid. Payer's Zip Code (SEQ 080) must be |
        consistent with Payer's State (SEQ 070). |

        Exception: This check is not performed when Employer State
        (SEQ 073) of Form W-2 **and/or W-2GU**, Payer's State (SEQ 024) of |
        Form W-2G and/or Payer' State (SEQ 042) of Form 1099-R contain a
        period (.), indicating a foreign address. See Section 7.06 for
        foreign address format.

0291 o Employer City (SEQ 070) must contain at least three characters.

0295 o Neither Withholding (SEQ 130) nor Social Security Tax (SEQ 150) of
        the combined W-2(s) **and/or W-2GU(s)** can be greater than 1/2 (50%) |
        of Wages (SEQ 120).
        Exception: This check is bypassed when Combat Pay has been
        excluded from Wages.

0616 o Form W-2G – When Winner's Address Continuation (SEQ 143) is
        significant, then a period (.) must be present in Winners' State
        (SEQ 146).

Section 11 - Validation - Specific Schedules and Forms

.08 Error Reject Codes for Forms (continued)

2. Form W-2G

0124 o The following fields must be significant: Payer Name Control
(SEQ 015), Payer Name (SEQ 020), and Payer Identification Number
(SEQ 026).

0290 o Payer's State (SEQ 024) and Payer's Zip Code   (SEQ 025) must be
significant and valid. Payer's Zip Code (SEQ 025) must be
consistent with Payer's State (SEQ 024).

   o Exception: This check is not performed when Employer State
(SEQ 073) of Form W-2, Payer's State (SEQ 024) of Form W-2G and/or
Payer' State (SEQ 042) of Form 1099-R contain a period (.),
indicating a foreign address. See Section 7.06 for foreign
address format.

0295 o Withholding (SEQ 050) cannot be greater than 1/2 (50%) of Gross
Winnings, etc. (SEQ 040).

0616 o When Winner's Address Continuation (SEQ 143) is
significant, then a period (.) must be present in Winners' State
(SEQ 146).

3. Form W-2GU

0616 o When Employee Address Continuation (SEQ 105) is significant, then |
a period (.) must be present in Employee State (SEQ 113). |

1041 o When Advance EIC Payment (SEQ 0200) is significant, taxpayers |
cannot file Form 1040EZ. |

1042 o Employer City (SEQ 0070) must contain at least three characters. |

1043 o Employer Identification Number (SEQ 0040) must be numeric, then |
first two digits of Employer Identification Number (SEQ 0040) must |
equal a valid District Office Code, Employer Name Control (SEQ |
0045) must be significant, and W-2GU Indicator (SEQ 0300) must |
equal "N" or "S". Refer to Attachment 7 for District Office Codes. |
See Section 7.05 for Business Name Control format. |

Note: The value "N" (Non-Standard) indicates that the Form W-2GU |
was altered, handwritten, or typed, or that a cumulative earnings |
statement or a substitute Form W-2GU was used. The value "S" |
(Standard) identifies a Form W-2GU that is a computer-produced |
print, an IRS form, or an IRS-approved facsimile. |

1044 o The following fields must be significant: Employer Name (SEQ 0050), |
Employer Address (SEQ 0060), Employee Name |
(SEQ 0090), Employee Address (SEQ 0100), Employee City (SEQ 0110), |
Employee State (SEQ 0113), Employee Zip Code (SEQ 0115), and Wages |
(SEQ 0120). |

Exception: The check for Wages (SEQ 0120) is bypassed when Combat |
Pay has been excluded from Wages. |

Exception: When a period (.) is present in the Employee State (SEQ |
0113), the checks for Employee City (SEQ 0110) and Employee Zip |
Code (SEQ 0115) are bypassed. |

 .08 **Error Reject Codes for Forms (continued)**

1045 o Employee SSN (SEQ 0080) must equal either the Primary SSN |
         (SEQ 0010) or Secondary SSN (SEQ 0030) of the Tax Form. |

1047 o If the total of Wages (SEQ 0120) from Form(s) W-2GU is greater |
         than $4,999 and the Adjusted Gross Income (SEQ 0750) of Tax Form |
         is greater than $49,999, then Form 1040 must be used, Form 5074 |
         must be attached and the return must be processed at the Andover |
         Service Center. |

   4.   **Foreign Employer Compensation (FEC) Record**

0411 o The SSN or ITIN of Employee of Foreign Employer (SEQ 0010) must |
         match the Primary SSN (SEQ 0010) of the Tax Form and the Employee |
         Name Control (SEQ 0020) must match the Primary Name Control (SEQ |
         0050) of the Tax Form |
         or |
         The SSN or ITIN of Employee of Foreign Employer (SEQ 0010) must |
         match the Secondary SSN (SEQ 0030) of the Tax Form and the |
         Employee Name Control (SEQ 0020) must match the Spouse's Name |
         Control (SEQ 0055) of the Tax Form. |

0412 o The following fields must be significant: Street Address (SEQ |
         0050) and City (SEQ 0060), |
         and |
         The following fields must be significant: |
         State Abbreviation (SEQ 0070) and Zip Code (SEQ 0080) |
         or Foreign Country (SEQ 0110). |

0413 o The Foreign Employer's Name (SEQ 0140) and the Foreign Employer's |
         Street Address (SEQ 0160), Foreign Employer's City (SEQ 0170), and |
         Foreign Employer's Country (SEQ 0200) must be significant. |

0414 o The Post of Duty Code (SEQ 0130) must be significant and either |
         equal to a valid Post of Duty Code or "00" . |

0415 o If Services Performed While Residing in U.S. Yes Ind (SEQ 0120) is |
         equal to "X", then the Post of Duty Code (SEQ 0130) must equal |
         "00" |
         and |
         If the Post of Duty Code (SEQ 0130) is equal to "00", then |
         Services Performed While Residing in U.S. Yes Ind (SEQ 0120) must |
         equal "X". |

 .08 Error Reject Codes for Forms (continued)

   5. Form 970

1020 o If Valued At Cost "No" Box (SEQ 0080) is equal to "X", then If No, |
        Explanation (SEQ 0090) must equal "STMbnn". |

1021 o If Inventory Taken at Actual Cost "No" Box (SEQ 0110) is equal to |
        "X", then Actual Cost "No" Explanation (SEQ 0120) must equal |
        "STMbnn". |

1022 o If Adjustment Included in Income Over 3 Years "N" Box (SEQ 0160) |
        is equal to "X", then Adjustment "No" Explanation (SEQ 0170) must |
        equal "STMbnn". |

1023 o If Goods Treated as Acquired "N" Box (SEQ 0200) is equal to "X", |
        then Goods Treated as Acquired "N" Explanation (SEQ 0210) must |
        equal "STMbnn". |

1024 o If Other Cost Method Box (SEQ 0290) is equal to "X", then Other |
        Cost Method Explanation (SEQ 0300) must equal "STMbnn". |
                                                                           |

1025 o If any of the following fields equal "X": Line Type or Class of |
        Goods Box (SEQ 0350), Pooling Method Box (SEQ 0360), Natural |
        Business Unit Box (SEQ 0370), Multiple Pools Box (SEQ 0380), Raw |
        Material Content Box (SEQ 0390) and Simplified Dollar-value Method |
        Box (SEQ 0400), then Statements describing Contents of Pool (SEQ |
        0340) must equal "STMbnn". |

1026 o If Other Pooling Method Box (SEQ 0410) is equal to "X", then Other |
         Pooling Method Explanation (SEQ 0420) must equal "STMbnn". |

1027 o If any of the following fields equal "X": Double Extension Box |
         (SEQ 0440), New Vehicle Alternative LIFO (SEQ 0450), Index Box |
         (SEQ 0460), Link-chain Box (SEQ 0470) and Used Vehicle Alternative |
         LIFO (SEQ 0480), then Description of LIFO Computation Method (SEQ |
         0430) must equal "STMbnn". |

1028 o If Other Method Box (SEQ 0490) is equal to "X", then Other Cost |
         Computing Method Explanation (SEQ 0500) must equal "STMbnn". |

1029 o If Commissioner's Permission to Change "Yes" Box (SEQ 0530) is |
         equal to "X", then Copy of Grant Letter Retained by Filer (SEQ |
         0550) must equal "Y". |

1030 o If Used LIFO Method Before "Yes" Box (SEQ 0560) is equal to "X", |
         then Used LIFO Before Explanation (SEQ 0570) must equal "STMbnn". |

1031 o When only one Form 970 is present, the SSN (SEQ 0020) must equal |
         the Primary SSN (SEQ 0010) or the Secondary SSN (SEQ 0030) of |
         Form 1040. |

         When two Forms 970 are present, the SSN (SEQ 0020) of the first |
         Form 970 must equal the Primary SSN (SEQ 0010) of Form 1040 and |
         the SSN (SEQ 0020) of the second Form 970 must equal the Secondary |
         SSN (SEQ 0030) of Form 1040. |

Section 11 – Validation – Specific Schedules and Forms

 .08 Error Reject Codes for Forms (continued)

  6. Form 982

0782 o When Discharge of Indebtedness in a Title 11 Case (SEQ 020)
        equals blank, Discharge of Indebtedness to the Extent Insolvent
        (SEQ 030) equals blank, Discharge of Qualified Real Prop Bus
        Indebtedness (SEQ 050) equals blank and Discharge of Qualified
        Farm Indebtedness (SEQ 040) is equal to "X", then Amt Excluded
        From Inc: To Reduce Basis (SEQ 150) must be blank.

0783 o When Amt Excluded From Inc: Under Section 108(b)(5) (SEQ 100) is
        significant, then Attach Description of Transactions (SEQ 085) must
        equal "STMbnn".

0784 o When Discharge of Qualified Real Prop Bus Indebtedness (SEQ 050) is
        significant, then Amt Excluded From Inc: Discharge of Qual Real
        Prop (SEQ 090) must be significant.

0120 o Form 1099-G – The following fields must be significant: Payer's |
**   Name Control (SEQ 0020), Payer's Name (SEQ 0030) and Payer's** |
**   Federal Identification Number (SEQ 0090).** |

  7. Form 1099-G

0120 o Form 1099-G – The following fields must be significant: Payer's |
**   Name Control (SEQ 0020), Payer's Name (SEQ 0030) and Payer's** |
**   Federal Identification Number (SEQ 0090).** |

0290 o Form 1099-G – The following fields must be significant: Payer's |
**   Name Control (SEQ 0020), Payer's Name (SEQ 0030) and Payer's** |
**   Federal Identification Number (SEQ 0090).** |

0294 o Form 1099-G – Tax Year Other Than Current Year (SEQ 0190) cannot |
**   equal the current processing year.** |

0295 o Form 1099-G – Withholding (SEQ 200) cannot be greater than ½ (50%) |
**   of the sum of unemployment compensation (SEQ 170), State or Local** |
**   Income Tax Refunds, Credits or Offsets (SEQ 180), Taxable Grants** |
**   (SEQ 220) and Agriculture Payments (SEQ 230).** |

0616 o When Recipient's Address Continuation (SEQ 125) is significant, |
**   then a period (.) must be present in Recipient's State (SEQ 140).** |

Section 11 - Validation - Specific Schedules and Forms

 .08 Error Reject Codes for Forms (continued)

  8.   Form 1099-R

0125 o   The following fields must be significant: Payer Name Control
          (SEQ 015), Payer Name (SEQ 020), and Payer Identification Number
          (SEQ 050).

0290 o   Form Payer's State (SEQ 042) and Payer's Zip Code (SEQ 044) must
          be significant and valid. Payer's Zip Code (SEQ 044) must be
          consistent with Payer's State (SEQ 042).

      o   Exception: This check is not performed when Employer State
          (SEQ 073) of Form W-2, Payer's State (SEQ 024) of Form W-2G and/or
          Payer' State (SEQ 042) of Form 1099-R contain a period (.),
          indicating a foreign address. See Section 7.06 for foreign
          address format.

0295 o   Withholding (SEQ 160) cannot be greater than 1/2 (50%) of Gross
          Distribution (SEQ 110).

0295 o   For each occurrence of Form 1099-R, Withholding (SEQ 160) cannot
          be greater than 1/2 (50%) of Gross Distribution (SEQ 110).

0616 o   Form 1099R - When Recipient's Address Continuation (SEQ 080) is
          significant, then a period (.) must be present in Recipient's
          State (SEQ 092).

  9. Form 1116

0230 o   When only one Form 1116 is present, Smaller of Tax From Return or
          Foreign Tax Credit (SEQ 1185) must equal Gross Foreign Tax Credit
          (SEQ 1090) and the following fields must be blank: SEQs 1100,
          1110, 1120, 1130, 1135, 1160, 1175, 1177 and 1180.

0231 o   If more than one Form 1116 is present, then only the first
          occurrence of Form 1116 can have significant data in Foreign Tax
          Credit (SEQ 1200). For subsequent occurrences of Form 1116,
          significant data can be present in Foreign Tax Credit (SEQ 1200)
          only when Alt. Min. Tax Literal (SEQ 010) of that occurrence is
          equal to "AMT".

0232 o   On each Form 1116, only one of the following fields can equal
          "X": SEQ 020, 030, 040, 050, 060, 070, 080, 090.

      o   When more than one Form 1116 is present, the same box (SEQ 020
          through 090) cannot equal "X" on more than one Form 1116.

      o   Exception: The same box (SEQ 020 through 090) can equal "X" on
          two Forms 1116 if Alt. Min. Tax Literal (SEQ 010) is significant
          on one of the two Forms 1116.

.08 Error Reject Codes for Forms (continued)

10. Form 1310

0518 o The Name Control of Person Claiming Refund (SEQ 0050) and the SSN |
         of Person Claiming Refund (SEQ 0070) must match data from the IRS |
         Master File. |

1000 o When the Filing Status Code (SEQ 0130) of the Tax Form is NOT |
         equal to "Married Filing Joint" and the Refund (SEQ 1270) of the |
         Tax Form is significant, then Form 1310 must be present and the |
         Decedent's SSN (SEQ 0040) must equal the Primary SSN (SEQ 0010) |
         of the Tax Form. |

1001 o When the Filing Status Code (SEQ 0130) of the Tax Form is equal |
         to "Married Filing Joint", the Decedent's SSN (SEQ 0040) must |
         equal either the Primary SSN (SEQ 0010) or the Secondary SSN (SEQ |
         0030) of the Tax Form. |

1002 o The Tax Year Decedent Due Refund (SEQ 0010) must equal the |
         current tax year. |

1003 o The year of the Date of Death (SEQ 0030) must equal either the |
         current tax year or the current processing year. |

1004 o The Date of Death (SEQ 0030) must match data from the IRS Master |
         File and either the Primary Date of Death (SEQ 0020) or the |
         Secondary Date of Death (SEQ 0040). |

1005 o When Person Other Than A or B Claiming Decedent Refund (SEQ 0190) |
         equals "X", then all of the following fields must also equal "X": |
         Did Decedent Leave a Will "YES" Box (SEQ 0210) or Did Decedent |
         Leave a Will "NO" Box (SEQ 0220), Court Appointed Personal Rep |
         "NO" Box (SEQ 0240), Personal Rep will be Appointed "NO" Box |
         (SEQ 0260) and Refund Paid out According to State Laws "YES" Box |
         (SEQ 0270). |

1006 o When Person Other Than A or B Claiming Decedent Refund (SEQ 0190) |
         and Refund Paid Out According to State Laws "YES" Box (SEQ 0270) |
         are equal to "X", then at least one of the following fields on |
         the Tax Form must be significant: Primary Date of Death (SEQ |
         0020) or Secondary Date of Death (0040). |

1007 o Person Claiming Refund Signature (SEQ 0290) and Signature Date |
         (SEQ 0300) must be significant. |

1008 o Valid Proof of Death is in my Possession (SEQ 0200) must equal |
         "X". |

1009 o Street Address (SEQ 0100) is alphanumeric and cannot have |
         leading or consecutive embedded spaces. The left-most position |
         must contain an alpha or numeric character. The only special |
         characters permitted are space, hyphen (-), and slash (/). See |
         Section 7.03 for Street Address format. |

      o Street Address (SEQ 0100) is a required field. |

.08 **Error Reject Codes for Forms (continued)**

1010 **o** **Zip Code (SEQ 0150) must be within the valid ranges of zip codes** |
          listed for the corresponding State Abbreviation (SEQ 0140). The |
          zip code cannot end in "00", with the exception of 20500 (the |
          White House zip code). Refer to Attachment 3. |

1011 **o** **State Abbreviation (SEQ 0140) must be significant and consistent** |
          with the standard state abbreviations issued by the Postal |
          Service. Refer to Attachment 3 for State Abbreviations. |

          State Abbreviation (SEQ 0140) is a required field. |

1012 **o** **City (SEQ 0130) must be left-justified and must contain a** |
          minimum of three alpha characters. This field cannot contain |
          consecutive embedded spaces and must contain only alphabetic |
          characters and spaces. Do not abbreviate the city name. |

          City (SEQ 0130) is a required field. |

1013 **o** **Form 1310 – If Address Ind (SEQ 0160) equals "1" (APO/FPO** |
          Address), then City (SEQ 0160) must equal "APO" or "FPO", and |
          State Abbreviation (SEQ 0140) must equal "AA", "AE", or "AP" |
          with the appropriate Zip Code (SEQ 0150). If State Abbreviation |
          (SEQ 0140) equals "AA", "AE", or "AP", then Address Ind (SEQ |
          0160) must equal "1". Refer to Attachment 4. |

1017 **o** **Form 1310 – The SSN of Person Claiming Refund must be** |
          significant and cannot equal Primary SSN (SEQ 0010) or Secondary |
          SSN (SEQ 0030) of Form 1040. |

          o **When two Form 1310 are present, the SSN of Person Claiming** |
          Refund (SEQ 0070) of the first Form 1310 must equal the SSN of |
          Person Claiming Refund (SEQ 0070) of the second Form 1310. |

1018 **o** **Form 1310 – When only one Form 1310 is present, Decedent's SSN** |
          (SEQ 0040) must equal Primary SSN (SEQ 0010) or Secondary SSN |
          (SEQ 0030) of Form 1040. |

          o **When two Forms 1310 are present, Decedent's SSN (SEQ 0040) of** |
          the first Form 1310 must equal Primary SSN (SEQ 0010) of Form |
          1040 and Decedent's SSN (SEQ 0040) of the second Form 1310 must |
          equal Secondary SSN (SEQ 0030) of Form 1040. |

11. **Form 2106 and Form 2106-EZ**

0048 o SSN of Taxpayer with Employee Business Expense (SEQ 009) on the
         first Form 2106/Form 2106EZ must be significant and equal to
         Primary SSN (SEQ 010) or Secondary SSN (SEQ 030) of Form 1040.

0049 o SSN of Taxpayer with Employee Business Expense (SEQ 009) on the
         second Form 2106/Form 2106EZ must be significant and equal to
         Secondary SSN (SEQ 030) of Form 1040 and must not be equal to SSN
         of Taxpayer with Employee Business Expense (SEQ 009) on the first
         Form 2106/Form 2106EZ. When both spouses are filing
         Form 2106/Form 2106EZ, the Form 2106/Form 2106EZ for the primary
         taxpayer must precede the Form 2106/Form 2106EZ for the secondary
         taxpayer.

 .08 **Error Reject Codes for Forms (continued)**

 12. Form 2120

0702 o Person Supported First Name **(SEQ 020)** and Person Support Last **(SEQ** |
        030) must be significant. |

0703 o Eligible First Name (SEQ 040), Eligible Last Name (SEQ 045), SSN |
        (SEQ 050), Street Address (SEQ 060), City (SEQ 070), State Abbr |
        (SEQ 080), and Zip Code (SEQ 090) must be significant, else reject |
        the return.

0704 o **Reserved**   -|

0705 o **Reserved**   -|

0706 o The Calendar Year (**SEQ 010**) must equal the Current Tax Year, else |
        reject the return.

0707 o The Person Supported First Name (**SEQ 020**) must equal |
        one of the following Dependent First (SEQs 170, 180, 190, 200,
        210).   -|

        Last Name of Person Supported (SEQ 050) must equal one of the
        following: Dependent Last Name (SEQs 171, 181, 191, 201, 211)   -|

0708 o Form 2120 - SSN of Eligible Person **(SEQ 050, 110, and 230)** must be |
        within the valid ranges of SSNs. It must be all numeric characters
        and cannot equal all zeroes or all nines. Refer to Attachment 8 for
        valid ranges of Social security Numbers.

     o Form 2120 - SSN of T/P Not Claiming Dependent (SEQ 170, **050, 110,** |
        and 230) cannot equal Primary SSN (SEQ 010) of Form 1040/1040A and |
        Filing Status (SEQ 130) equals "1", "3", "4", or "5"

     o Form 2120 - SSN of T/P Not Claiming Dependent (SEQ 170)
        cannot equal Primary SSN (010) or Secondary SSN (SEQ 030) of
        Form 1040/1040A with Filing Status (SEQ 130) equals "2".

 13. Form 2210 and Form 2210F

0147 o Form 2210 – One of the following fields must equal "X": Waiver Box |
        (SEQ 0020), Annualized Installment Method Box (SEQ 0030), Actually |
        Withheld Box (SEQ 0040) or Required Installment Box (SEQ 0054). |
                                                                              |

0148 o Form 2210 - When Waiver Box (SEQ 020) equals "X", either Waiver
        Explanation/Short Method (SEQ 237) or Waiver Explanation
        (SEQ 717) must equal "STMbnn".

     o Form 2210F - When Waiver of Penalty Box (SEQ 013) equals "X",
        Waiver Explanation (SEQ 177) must equal "STMbnn".

.08 **Error Reject Codes for Forms (continued)**

14. **Form 2439**

0785 o All of these fields must be significant: Company or Trust Name
Control (SEQ 050), Company or Trust Name (SEQ 060), and Company or
Trust Identification Number (SEQ 120).

0786 o Shareholder SSN (SEQ 130) must equal Primary SSN (SEQ 010) or
Secondary SSN (SEQ 030) of Form 1040.

15. **Form 2441 and Schedule 2**

0074 o Qualifying Person SSN (SEQ 214, 223) cannot equal another
Qualifying Person SSN on the same Form 2441/Schedule 2 or in the
related Statement Record.

0090 o When Form 2441/Schedule 2 is present, at least one of the
following fields must be significant:
  • Dependent Care Benefits Literal (SEQ 371) of Form 1040/1040A;
  • Dependent Care Benefits (SEQ 210) of Form W-2;
  • Credit for Child & Dependent Care (SEQ 330) of
    Form 2441/Schedule 2 or if Form 1040/1040A (SEQ 915/860)
    is not significant, then the credit for Child Care (SEQ 330)
    of Form 2441/Schedule 2 must be zero.

0298 o When Qualifying Person SSN (SEQ 214, 223) is significant, it must
be within the valid ranges of SSN/ITIN/ATIN's. Refer to
Attachment 8 for valid ranges of Social Security/Taxpayer
Identification Numbers.

0095 o If Total Qualified Expenses or Limit (SEQ 230), or Credit for
Child & Dependent Care (SEQ 330), or Net Allowable Amount
(SEQ 460) is greater than zero, then Qualifying Person SSN - 1
(SEQ 214) must be significant. The Qualifying Person information
on Line 2 is not required when Prior Year Expense Literal (SEQ
318), Prior Year Qualifying Person Name (SEQ 324), and Prior Year
Qualifying Person SSN (SEQ 326) are present and there are no
current year expenses.

o If Credit for Child & Dependent Care (SEQ 330) is significant,
and Total Qualified Expenses or Limit (SEQ 230) or Net Allowable
Amount (SEQ 460) is greater than zero, then Primary Earned Income
(SEQ 260) (and Spouse's Earned Income (SEQ 270) when Filing
Status (SEQ 130) of Form 1040/1040A equals "2") must be
significant.

0137 o When SSN/EIN 1 or 2 (SEQ 040, 090) is significant, the
corresponding Amount Paid 1 or 2 (SEQ 050, 100) must be
significant.

0296 o If any field of the following "qualifying person group" is
significant, then all fields in that group must be significant:
Qualifying Person First Name (SEQ 110, 217); Qualifying Person
Last Name (SEQ 115, 218); Qualifying Person Name Control
(SEQ 120, 221); and Qualifying Person SSN (SEQ 214, 223).

.08 Error Reject Codes for Forms (continued)

0298 o   When Qualifying Person SSN (SEQ 214, 223) is significant, it must
          be within the valid ranges of SSN/ITIN/ATIN's. Refer to
          Attachment 8 for valid ranges of Social Security/Taxpayer
          Identification Numbers.

  16. Form 2555 and Form 2555EZ

0406 o   An "out of service center" District Office (DO) is permitted when
          State Data is present; or when Processing Site equals "C"
          (Andover) and at least one of the following is present: Form 2555,
          Form 2555-EZ, Form 4563, Form 5074, Form 8689, **and/or W-2GU** an |
          Address Ind (SEQ 097) of the Tax Form equal to "3"; a State
          Abbreviation (SEQ 087) of the Tax Form equal to "AS", "GU", "MP",
          "PR", or "VI".

0452 o   Form 2555/2555EZ − When only one Form 2555/2555EZ is present,
          Taxpayer SSN (SEQ 007) must equal Primary SSN (SEQ 010) or
          Secondary SSN (SEQ 030) of Form 1040.

      o   When two Forms 2555/2555EZ are present, Taxpayer SSN (SEQ 007) of
          the first Form 2555/2555EZ must equal Primary SSN (SEQ 010) of
          Form 1040 and Taxpayer SSN (SEQ 007) of the second
          Form 2555/2555EZ must equal Secondary SSN (SEQ 030) of Form 1040.
          One occurrence of either Form 2555 or Form 2555EZ can be present
          for the Primary SSN (SEQ 010). One occurrence of either
          Form 2555 or Form 2555EZ can be present for the Secondary SSN
          (SEQ 030).

0453 o   Form 2555EZ − Total Foreign Earned Income (SEQ 1210) cannot exceed
          $**80,000.** |

0455 o   Form 2555 − Foreign Earned Income Exclusion (SEQ 1220) cannot
          exceed Foreign Earned Income (SEQ 1050). Foreign Earned Income
          Repeated (SEQ 1070) must equal Foreign Earned Income (SEQ 1050).

      o   Form 2555EZ − Max. Of Foreign Earned Inc. Exclusion (SEQ 1260)
          cannot exceed $**80,000** Total Foreign Earned Income (SEQ 1210). |

Section 11 – Validation – Specific Schedules and Forms

.08 Error Reject Codes for Forms (continued)

0460 o Form 2555/2555-EZ - Taxpayers must qualify for the Foreign
         Exclusion under the Bona Fide Residence or Physical Presence test.
         Both tests will be verified prior to the return being accepted.
         This Error Reject Code will be set in any case where the taxpayer
         did not qualify under either of the tests.

      o Form 2555 - When the taxpayer is qualifying under Bona Fide
         Residence: When Date Bona Fide Residence Ended (SEQ 225) is equal
         to 1231 of the current tax year or is equal to "CONTINUE", then
         Date Bona Fide Residence Began (SEQ 220) must equal of the current
         tax year or must be prior to the current tax year
         or
         When Date Bona Fide Residence Ended (SEQ 225) is prior to 1231 of
         the current tax year (i.e., 1031**2001**), then Date Bona Fide |
         Residence Began (SEQ 220) must equal 0101 of the previous tax year
         or earlier than the previous tax year (i.e., 0101**2000**). |

      o Form 2555 - When the taxpayer is qualifying under Physical
         Presence: The difference, in number of days, between Physical
         Presence Test From (SEQ 530) and Physical Presence Test Through
         (SEQ 540) minus the total of Number of Days in US on Business - 1
         through - 4 (SEQ 610, 670, 730, 790) must be at least 330 days.

      o Form 2555EZ - When the taxpayer is qualifying under Bona Fide
         Residence: When Date Bona Fide Residence Ended (SEQ 040) is equal
         to 1231 of the current tax year or is equal to "CONTINUE", then
         Date Bona Fide Residence Began (SEQ 030) must equal 0101 of the
         current tax year or must be prior to the current tax year
         Or
      o When Date Bona Fide Residence Ended (SEQ 040) is prior to 1231 of
         the current tax year (i.e., 10312001), then Date Bona Fide
         Residence Began (SEQ 030) must equal 0101 of the previous tax year
         or earlier than the previous tax year (i.e., 01012000).

      o Form 2555EZ - When the taxpayer is qualifying under Physical
         Presence: The difference, in number of days, between Physical
         Presence Test From (SEQ 070) and Physical Presence Test Through
         (SEQ 080) minus the total of Number of Days in US on Business - 1
         through - 9 (SEQ 310, 350, 390, 430, 470, 510, 550, 590, 630) must
         be at least 330 days.

0461 o Form 2555 - Statement to Authorities - Yes (SEQ 300) and Req'd to
         Pay Income Tax - No (SEQ 330) cannot both be significant.

.08 Error Reject Codes for Forms (continued)

0462 o Form 2555 - If No Travel Statement (SEQ 560) is significant, then
        the following fields cannot be significant: Country Name
        (SEQ 570), Arrival Date (SEQ 580), Departure Date (SEQ 590), Full
        Days in Country (SEQ 600), Number of Days in US on Business
        (SEQ 610), and Income Earned in the US on Business (SEQ 620).

0463 o Form 2555 - Foreign Address (SEQ 010) must be significant. Post
        of Duty (SEQ 015) must be significant and equal to a valid Post
        of Duty code.

     o Form 2555EZ - Foreign Address (SEQ 110) must be significant.
        Post of Duty (SEQ 115) must be significant and equal to a valid
        Post of Duty code.

     o Refer to Attachment 9 for Post of Duty Codes.

0464 o Form 2555 - If Separate Foreign Residence - Yes (SEQ 170) is
        significant, then Yes - City & Country of Foreign Residence
        (SEQ 190) and Number of Days at That Address (SEQ 200) must be
        significant.

0465 o Form 2555 - Housing Exclusion (SEQ 1140) cannot be greater than
        Employer-Provided Amounts (SEQ 1120).

0466 o Form 2555 - Total Housing and Foreign Earned Income Exclusions
        (SEQ 1230) must equal the total of Housing Exclusion (SEQ 1140)
        plus Foreign Earned Income Exclusion (SEQ 1220).

0467 o Form 2555EZ - If Bona Fide Residence - Yes (SEQ 010) is
        significant, then Date Bona Fide Residence Began (SEQ 030) and
        Date Bona Fide Residence Ended (SEQ 040) must be significant.

0468 o Form 2555EZ - If Physically Present - Yes (SEQ 050) is
        significant, then Physical Presence Test From (SEQ 070) and
        Physical Presence Test Through (SEQ 080) must be significant.

0469 o Form 2555EZ - Tax Home Test - Yes (SEQ 090) must be significant.

0470 o Form 2555EZ - For each of the following, only one box can
        equal "X":
        Bona Fide Residence - Yes (SEQ 010) or Bona Fide Residence - No
        (SEQ 020);
        Physically Present - Yes (SEQ 050) or Physically Present - No
        (SEQ 060);
        Revoked Exclusions - Yes (SEQ 220) or Revoked Exclusions - No
        (SEQ 230).

0471 o Form 2555 - Part II or Part III must be present, but not both.

0472 o Form 2555/2555EZ – Must be processed at the Andover Service
        Center.

Section 11 – Validation – Specific Schedules and Forms

 .08 Error Reject Codes for Forms (continued)

  17. Form 3468

0723 o If Certified Historic Structures (SEQ 050) or Calculated
        Expenditures Certified Historic Struct. SEQ 060) **of Form 3468 is**
        present, Qualified Rehabilitation NPS Number must be significant
        (SEQ 0070).

     o **If Certified Historic Structures (SEQ 050) or "Calculated**
        Expenditures Certified Historic Struct. (SEQ 060) of Form 3468 is
        present, Date of NPS Approval (SEQ 071) must be significant.
        (Certified Historic Structures)

0724 o Form 3468 – If Current Year Investment Credit (SEQ 160) and Net
        Income Tax (SEQ 320) both contain an entry greater than zero, then
        Form 6251 must be present.

  18. Form 3800

0720 o When any two or more of the following forms are present, Form 3800
        must be present: Form 3468, Form 5884, Form 6478, Form 6765, Form
        8586, Form 8820, Form 8826, Form 8830, Form 8835, Form 8845, Form
        8846, Form 8847 or Form 8861.

0725 o If Current Year Investment Credit (SEQ 020) is significant, then
        Form 3468 must be present.

0726 o If Current Year Work Opportunity Credit (SEQ 030) is significant,
        then Form 5884 must be present.

0727 o If Current Year Welfare to Work Credit (SEQ 040) is significant,
        then Form 8861 must be present.

0728 o If Current Year Credit for Alcohol Used As Fuel (SEQ 050) is
        significant, then Form 6478 must be present.

0729 o If Current Year Credit for Increasing Research (SEQ 060) is
        significant, then Form 6765 must be present.

0730 o If Current Year Low-Income Housing Credit (SEQ 070) is
        significant, then Form 8586 must be present.

0731 o If Current Year Enhanced Oil Recovery Credit (SEQ 080) is
        significant, then Form 8830 must be present.

0732 o If Current Year Disabled Access Credit (SEQ 090) is significant,
        then Form 8826 must be present.

0733 o If Current Year Renewable Electricity Production (SEQ 100) is
        significant, then Form 8835 must be present.

0734 o If Current Year Indian Employment Credit (SEQ 110) is significant,
        then Form 8845 must be present.

0735 o If Current Year Credit for Employer Social Security (SEQ 120) is
        significant, then Form 8846 must be present.

Section 11 – Validation – Specific Schedules and Forms

 .08 **Error Reject Codes for Forms (continued)**

0736 o If Current Year Orphan Drug Credit (SEQ 130) is significant, then
          Form 8820 must be present.

0737 o If Current Year Credit for Contributions (SEQ 140) is significant,
          then Form 8847 must be present.

0738 o If Current Year Trans-Alaska Pipeline Credit (SEQ 150) is
          significant, then Current Yr Trans-Alaska Pipeline Attach
          Statement (SEQ 145) must equal "STMbnn".

0739 o If Passive Activity Credits (SEQ 180) is significant, then Passive
          Activity Credits (SEQ 180) must not be greater than Current Year
          General Business Credit (SEQ 170).

0740 o If Subtract Line 3 from Line 2 (SEQ 190) is significant, then
          Subtract Line 3 from Line 2 (SEQ 190) must
          not be less than zero.

0741 o If Passive Activity Credits Allowed (SEQ 200) is significant, then
          Form 8582-CR must be present.

0742 o Form 3800 – If Tentative General Business Credit (SEQ 230) and Net
          Income Tax (SEQ 390) both contain an entry greater than zero, then
          Form 6251 must be present.

0743 o The following fields must be positive: SEQs 020, 030, 050, 060,
          070, 080, 090, 100, 110, 120, 130, 140, 150, 160, 180, 200,
          and 210.

 19. **Form 3903**

      o Only Field Format validations apply.

.08 Error Reject Codes for Forms (continued)

20. Form 4136

0422 o Form 4136 – When any of the "amount of credit" fields is greater
         than zero, then at least one of the associated "gallons" fields
         must be significant. For example:

     o When Nontaxable Use of Gasoline Credit Amount (SEQ 070) is greater
        than zero, at least one of the following must be significant: SEQ
        010 or 020 or 040 or 060.

     o When Nontaxable Use of Gasohol 10% Credit Amount (SEQ 100) is
        greater than zero, Gasohol 10% Alcohol Gallons (SEQ 090) must be
        significant.

     o When Nontaxable Use of Gasohol 7.7% Credit Amount (SEQ 130) is
        greater than zero, Gasohol 7.7% Alcohol Gallons (SEQ 120) must be
        significant.

     o When Nontaxable Use of Gasohol 5.7% Credit Amount (SEQ 160) is
        greater than zero, Gasohol 5.7% Alcohol Gallons (SEQ 150) must be
        significant.

     o When Nontaxable Use of Commercial Aviation Gas Tax Credit Amt (SEQ
        180) is greater than zero, then Commercial Aviation Gasoline
        Gallons (SEQ 170) must be significant.

     o When Nontaxable Use of Aviation Gas Tax Credit Amount (SEQ 230) is
        greater than zero, then SEQ 200 or 220 must be significant.

     o When Nontaxable Use of Diesel Fuel Credit Amount (SEQ 300) is
        greater than zero, then at least one of the following must be
        significant: SEQ 270 or 290.

     o When Nontaxable Diesel Fuel Train Use Credit Amount (SEQ 320) is
        greater than zero, then Diesel Fuel Train Use Gallons
        (SEQ 310) must be significant.

     o When Diesel Fuel Certain Intercity and Local Bus Use Credit Amount
        (SEQ 340) is greater than zero, then Diesel Fuel Certain Intercity
        and Local Bus Use Gallons (SEQ 330) must be significant.

     o When Nontaxable Use of Kerosene Credit Amount (SEQ 410) is greater
        than zero, then at least one of the following must be significant:
        SEQ 380 or 400.

     o When Nontaxable Kerosene Train Use Credit Amount (SEQ 430) is
        greater than zero, then Kerosene Train Use Gallons (SEQ 420) must
        be significant.

     o When Kerosene Certain Intercity and Local Bus Use Credit Amount
        (SEQ 455) is greater than zero, then Kerosene Certain Intercity and
        Local Bus Use Gallons (SEQ 440) must be significant.

.08 Error Reject Codes for Forms (continued)

0422 o (continued)

   o When Nontaxable Use of Commercial Aviation Fuel Credit Amount
      (SEQ 470) is greater than zero, then Commercial Aviation fuel
      Gasoline Gallons (SEQ 460) must be significant.

   o When Nontaxable Use of Aviation Fuel Other $.219 Credit Amount
      (SEQ 500) is greater than zero, then Nontaxable Use of Aviation
      Fuel Gallons - 1 (SEQ 490) must be significant.

   o When Nontaxable Use of Aviation Fuel Tax Credit Amount (SEQ 530) is
      greater than zero, then Nontaxable Use of Aviation Fuel Gallons - 2
      (SEQ 520) must be significant.

   o When Sales by Vendors of Undyed Diesel Credit Amount (SEQ 600) is
      greater than zero, then at least one of the following must be
      significant: SEQ 580 or 590.

   o When Sales by Vendors of Undyed Kerosene Credit Amount (SEQ 680)
      is greater than zero, then at least one of the following must be
      significant: SEQ 650, 660, or 670.

   o When Use of LPG in Certain Intercity and Local Buses Credit Amt
      (SEQ 700) is greater than zero, then Certain Intercity and Local
      Buses Gallons (SEQ 690) must be significant.

   o When Use of LPG in Qualified Local and School Buses Credit Amount
      (SEQ 720) is greater than zero, then Qualified Local and School
      Buses Gallons (SEQ 710) must be significant.

   o When Gasohol Blenders 10% Credit Amount (SEQ 750) is greater than
      zero, then Gasohol Blenders 10% Alcohol Gallons (SEQ 740) must be
      significant.

   o When Gasohol Blenders 7.7% Credit Amount (SEQ 780) is greater than
      zero, then Gasohol Blenders 7.7% Alcohol Gallons (SEQ 770) must be
      significant.

   o When Gasohol Blenders 5.7% Credit Amount (SEQ 810) is greater than
      zero, then Gasohol Blenders 5.7% Alcohol Gallons (SEQ 800) must be
      significant.

0423 o If Evidence of Dyed Diesel Fuel Exception Box (SEQ 250) equals
        "X", Evidence of Dyed Diesel Fuel Explanation (SEQ 240) must equal
        "STMbnn" and vice versa.

Section 11 – Validation – Specific Schedules and Forms

.08 Error Reject Codes for Forms (continued)

0424 o Form 4136 - If Evidence of Dyed Diesel Fuel Exception Box (SEQ 570) equals "X", then the Evidence of Dyed Diesel Fuel Explanation (SEQ 560) must equal "STMbnn" and the Undyed Diesel Fuel UV Registration No (SEQ 550) must be significant.

o If Evidence of Dyed Diesel Fuel Explanation (SEQ 560) equal "STMbnn", then the Evidence of Dyed Diesel Fuel Exception Box (SEQ 570) must equal "X", and the Undyed Diesel Fuel UV Registration No (SEQ 550) must be significant.

o If Evidence of Dyed Kerosene Exception Box (SEQ 640) equals "X", then Evidence of Dyed Kerosene Explanation (SEQ 630) must equal "STMbnn" and at least one of the following must be significant: Undyed Kerosene UV Registration No (SEQ 610), or Undyed Kerosene UP Registration No (SEQ 620).

o If Evidence of Dyed Kerosene Explanation (SEQ 630) equals "STMbnn", then Evidence of Dyed Kerosene Exception Box (SEQ 640) must equal "X", and at least one of the following must be significant: Undyed Kerosene UV Registration No (SEQ 610) or Undyed Kerosene UP Registration No (SEQ 620).

o Note: For Error Code 424 only; when both an Explanation and the Exception Box are met, then there must be a Registration Number.

0425 o If Total Income Tax Credit Amount (SEQ 820) is significant, then at least one of the "credit amounts" (SEQ 070, 100, 130, 160, 180, 230, 240, 300, 320, 340, 410, 430, 455, 470, 500, 530, 600, 680, 700, 720, 750, 780 or 810) must be significant.

 .08 Error Reject Codes for Forms (continued)

0427 o When any of the "gallons" fields is greater than zero, then the
        associated "type of use" field must be significant. For example:

     o When Nontaxable Use of Gasoline Gallons (SEQ 040 or 060) is
        greater than zero, then Nontaxable Use of Gasoline Type (SEQ 030
        or 050) must be significant.

     o When Gasohol 10% Alcohol Gallons (SEQ 090) is greater than zero,
        then Gasohol 10% Alcohol Type (SEQ 080) must be significant.

     o When Gasohol 7.7% Alcohol Gallons (SEQ 120) is greater than zero,
        then Gasohol 7.7% Alcohol Type (SEQ 110) must be significant.

     o When Gasohol 5.7% Alcohol Gallons (SEQ 150) is greater than zero,
        then Gasohol 5.7% Alcohol Type (SEQ 140) must be significant.

     o When Nontaxable Use of Aviation Gasoline Gallons (SEQ 200 or 220)
        is greater than zero, then Nontaxable Use of Aviation Gasoline
        Type (SEQ 190 or 210) must be significant.

     o When Nontaxable Use of Diesel Fuel Gallons (SEQ 270 or 290) is
        greater than zero, then Nontaxable Use of Diesel Fuel Type
        (SEQ 260 or 280) must be significant.

     o When Nontaxable Use of Kerosene Gallons (SEQ 380 or 400) is
        greater than zero, then Nontaxable Use of Kerosene Type (SEQ 370
        or 390) must be significant.

     o When Nontaxable Use of Aviation Fuel Gallons (SEQ 490 or 520) is
        greater than zero, then Nontaxable Use of Aviation Fuel Type
        (SEQ 480 or 510) must be significant.

0446 o When Undyed Diesel Fuel UV Registration No (SEQ 550) is present,
        then Use of Undyed Diesel for Farming Purpose Gallons (SEQ 580) or
        Use of Undyed Diesel by State or Local Gov Gallons (SEQ 590) must
        be present, and vice versa.

0447 o When Undyed Kerosene UV Registration No (SEQ 610) is present, then
        Use of Undyed Kerosene for Farming Purpose Gallons (SEQ 650) or
        Use of Undyed Kero by State or Local Gov Gallons (SEQ 660) must be
        present, and vice versa.

        When Other Sales of Undyed Kerosene Gallons (SEQ 670) is present,
        then Undyed Kerosene UP Registration No (SEQ 620) must be present
        and vice versa.

 .08 Error Reject Codes for Forms (continued)

  21. Form 4137

0017 o Tip Income Name (SEQ 010) and Tip Income SSN (SEQ 020) must be
         significant.

0054 o Tip Income SSN (SEQ 020) on the first Form 4137 must equal
         Primary SSN (SEQ 010) or Secondary SSN (SEQ 030) of Form 1040.

0059 o Tip Income SSN (SEQ 020) on the second Form 4137 must equal
         Secondary SSN (SEQ 030) of Form 1040 and must not be equal to Tip
         Income SSN (SEQ 020) on the first Form 4137. When both spouses
         are filing Form 4137, the Form 4137 for the primary taxpayer must
         precede the Form 4137 for the secondary taxpayer.

  22. Form 4255

      o Only Field Format validations apply.

  23. Form 4562

      o Only Field Format validations apply.

  24. Form 4563

0406 o An "out of service center" District Office (DO) is permitted when
         State Data is present; or when Processing Site equals "C"
         (Andover) and at least one of the following is present: Form 2555,
         Form 2555-EZ, Form 4563, Form 5074, Form 8689, an Address Ind
         (SEQ 097) of the Tax Form equal to "3"; a State Abbreviation
         (SEQ 087) of the Tax Form equal to "AS", "GU", "MP", "PR", or
         "VI".

0496 o When only one Form 4563 is present, Taxpayer Identification Number
         (SEQ 0003) must equal Primary SSN (SEQ 0010) or Secondary SSN
         (SEQ 0030) of Form 1040.

      o When two Forms 4563 are present, Taxpayer Identification Number
         (SEQ 0003) of the first Form 4563 must equal Primary SSN (SEQ 0010)
         of Form 1040 and Taxpayer Identification Number (SEQ 0003) of the
         second Form 4563 must equal Secondary SSN (SEQ 0030) of Form 1040.

 .08 Error Reject Codes for Forms (continued)

 25. **Form 4684**

0174 o When Line 16 minus Line 17 (SEQ 450) is significant, Line 13 more
          than Line 14 (SEQ 430) must be significant.

 26. **Form 4797**

0171 o When Form 4684 is present, Gain/Loss for Entire Year (Form 4684
          Sec B Gain) (SEQ 440) of Form 4797 must equal Loss Equal to or
          Smaller than Gain (SEQ 1120) from Form 4684.

0667 o If Form 4797 is present and Gain/Loss (Form 8824 Sec 1231) (SEQ
          456) or Form 8824 Ordinary Gain/Loss for Entire Yr (SEQ 974) is
          significant, then Form 8824 must be present.

 27. **Form 4835**

0180 o When one Form 4835 is present, Net Farm Rental Income/Loss
          (SEQ 1991) of Schedule E must equal one of the following fields
          from Form 4835: Net Farm Rent Profit (SEQ 610) or Net Farm Rent
          (Loss) (SEQ 630).

      o When multiple Forms 4835 are present, Net Farm Rental Income/Loss
          (SEQ 1991) of Schedule E must equal the sum of the following from
          Forms 4835: Net Farm Rent Profit (SEQ 610) (when greater than
          zero) minus Net Farm Rent (Loss) (SEQ 630).

      o Note: Net Farm Rent (Loss) (SEQ 630) of Form 4835 is assumed to
          be a loss; the minus sign is not transmitted.

0181 o If Some is Not at Risk (SEQ 620) equals "X" on one or both
          Form(s) 4835, then Form 6198 or Form 8582 must be present.

 28. **Form 4952**

0101 o At least one of the following fields must be greater than zero:
          Investment Interest Expense (SEQ 010), Carryover Disallowed
          Interest Expense (SEQ 020), Investment Interest Expense Deduction
          (SEQ 060).

 29. **Form 4970**

0278 o Reserved

 30. **Form 4972**

0271 o None of the following fields can equal "X": Distribution of
          Qualified Plan No Box (SEQ 026), Rollover Yes Box (SEQ 030),
          Prior Yr Distribution Yes Box (SEQ 190), and Beneficiary
          Distribution Yes Box (SEQ 201).

      o All of the following fields must equal "X": Distribution of
          Qualified Plan Yes Box (SEQ 024), Rollover No Box (SEQ 040), and
          Prior Yr Distribution No Box (SEQ 200).

 .08 **Error Reject Codes for Forms (continued)**

0272 o Only one of the following fields can equal "X": Beneficiary of
         Qual Participant No Box (SEQ 044) or Qual Age - Five Yr Member No
         Box (SEQ 086).

0275 o At least one of the following fields must be significant: Capital
         Gain Election (SEQ 220), Ordinary Income (SEQ 240), 10 Yr Method
         Average Tax (SEQ 690).

0276 o Recipient SSN (SEQ 020) from the second Form 4972 cannot equal
         Recipient SSN (SEQ 020) of the first Form 4972.

0279 o For each of the following, one box must equal "X", but both
         cannot equal "X":
         Beneficiary of Qual Participant Yes Box (SEQ 042)/Beneficiary of
         Qual Participant No Box (SEQ 044);
         Qual Age - Five Yr Member Yes Box (SEQ 084)/Qual Age - Five Yr
         Member No Box (SEQ 086).

  31. **Form 5074**

0406 o An "out of service center" District Office (DO) is permitted when
         State Data is present; or when Processing Site equals "C"
         (Andover) and at least one of the following is present: Form 2555,
         Form 2555-EZ, Form 4563, Form 5074, Form 8689, an Address Ind
         (SEQ 097) of the Tax Form equal to "3"; a State Abbreviation
         (SEQ 087) of the Tax Form equal to "AS", "GU", "MP", "PR", or
         "VI".

  32. **Form 5329**

0018 o Name of Person Subject to Penalty Tax (SEQ 010) and SSN of Person
         Subject to Penalty Tax (SEQ 020) must be significant.

0057 o SSN of Person Subject to Penalty Tax (SEQ 020) on the first
         Form 5329 must be significant and equal to Primary SSN (SEQ 010)
         or Secondary SSN (SEQ 030) of Form 1040.

0058 o SSN of Person Subject to Penalty Tax (SEQ 020) on the second
         Form 5329 must be significant and equal to Secondary SSN
         (SEQ 030) of Form 1040 and must not be equal to SSN of Person
         Subject to Penalty Tax (SEQ 020) on the first Form 5329. When
         both spouses are filing Form 5329, the Form 5329 for the primary
         taxpayer must precede the Form 5329 for the secondary taxpayer.

0118 o Name of Person Subject to Penalty Tax (SEQ 010) must contain a
         less-than sign immediately preceding the last name. If the name
         includes a suffix, another less-than sign is entered between the
         last name and the suffix. Allowable characters are: Alpha,
         hyphen (-), less-than (<), and space.

      o The following cannot be present: Two or more consecutive embedded
         spaces, a space or less-than sign in the first position, a
         less-than sign in the last position, more than two less-than
         signs, a space preceding or following a less-than sign.

Section 11 – Validation – Specific Schedules and Forms

.08 Error Reject Codes for Forms (continued)

   33.   Form 5471

0632 o When Category of Filer-3 (SEQ 135) is significant, Category 3
          Attachment (SEQ 136) must equal "STMbnn".

      o When Other Income (Functional Currency) (SEQ 2110) or Other Income
         (U.S. Dollars) (SEQ 2130) is significant, Attach Schedule-Other
         Income (SEQ 2140) must equal "STMbnn".

      o When Other Deductions (Functional Currency) (SEQ 2290) or Other
         Deductions (U.S. Dollars) (SEQ 2310) is significant, Attach
         Schedule-Other Deductions (SEQ 2320) must equal "STMbnn".

      o When Other Current Assets – Beginning (SEQ 2770) or Other Current
         Assets - End (SEQ 2790) is significant, Other Current Assets
         (Attach Schedule) (SEQ 2800) must equal "STMbnn".

      o When Investment In Subsidiaries – Beginning (SEQ 2830) or
         Investment In Subsidiaries – End (SEQ 2850) is significant,
         Investment In Subsidiaries (Attach Schedule)(SEQ 2860) must equal
         "STMbnn".

      o When Other Investments – Beginning (SEQ 2870) or Other Investments
         – End (SEQ 2890) is significant, Other Investments (Attach
         Schedule) (SEQ 2900) must equal "STMbnn".

      o When Other Assets – Beginning (SEQ 3090) or
         Other Assets – End (SEQ 3110) is significant, Other Assets (Attach
         Schedule) (SEQ 3120) must equal "STMbnn".

      o When Other Current Liabilities – Beginning   (SEQ 3170) or Other
         Current Liabilities – End (SEQ 3190) is significant, Other Current
         Liabilities (Attach Schedule) (SEQ 3200) must equal "STMbnn".

      o When Other Liabilities – Beginning (SEQ 3230) or Other Liabilities
         – End (SEQ 3250) is significant, Other Liabilities (Attach
         Schedule) (SEQ 3260) must equal "STMbnn".

      o When Paid-in or Capital Surplus – Beginning   (SEQ 3305) or Paid-in
         or Capital Surplus – End (SEQ 3315) is significant, Paid-in or
         Capital Surplus (Attach Reconciliation) (SEQ 3320) must equal
         "STMbnn".

      o When Own 10% Interest in a Partnership – Yes (SEQ 3410) is
         significant, Own 10% Yes Attachment (SEQ 3425) must equal "STMbnn".

      o When Own Interest in a Trust – Yes (SEQ 3430) is significant, Own
         Interest Yes Attachment (SEQ 3445) must equal "STMbnn".

      o When Own Foreign Entities – Yes (SEQ 3450) is significant, Own
         Foreign Entities Yes Attachment (SEQ 3465) must equal "STMbnn".

      o When Other Earnings (Net Additions) (SEQ 3620) or Other Earnings
         (Net Subtractions) (SEQ 3630) is significant, Other Earnings
         (Attach Schedule) (SEQ 3635) must equal "STMbnn".

      o When Income of Foreign Corporation Blocked (Yes Box) (SEQ 3790) or
         Did Any Become Unblocked (Yes Box) (SEQ 3800) is significant,
         Statement (If Yes, Explain) (SEQ 3810) must equal "STMbnn".

 .08 Error Reject Codes for Forms (continued)

0633 o The following fields must be positive: SEQs 2730, 2740, 2930, 2940,
       2970, 2980, 3070, 3080, 3350 and 3360.

  34. Schedule J (Form 5471)

     o Only Field Format validations apply.

  35. Schedule M (Form 5471)

     o Only Field Format validations apply.

  36. Schedule N (Form 5471)

0634 o If Deduction for Dividends Paid During Tax Year (SEQ 750) is
       significant, then Deduction for Dividends Paid During Tax Year (SEQ
       750) must equal Deduction for Dividends Paid (SEQ 640).

  37. Schedule O Form 5471)

     o Only Field Format validations apply.

  38. Form 5713

     o Only Field Format validations apply.

  39. Schedule A (Form 5713)

     o Only Field Format validations apply.

  40. Schedule B (Form 5713)

     o Only Field Format validations apply.

  41. Schedule C (Form 5713)

     o Only Field Format validations apply.

   42. Form 5884

0744 o If Total Current Year Work Opportunity Credit (SEQ 0110) and Net
       Income Tax (SEQ 270) both contain an entry greater than zero, then
       Form 6251 must be present.

  43. Form 6198

     o Only Field Format validations apply.

.08 Error Reject Codes for Forms (continued)

  44. Form 6251

     o Only Field Format validations apply.

  45. Form 6252

0094 o If Line 24 Minus Line 25 (SEQ 290) or Line 35 Minus Line 36
      (SEQ 460) is significant, then Schedule D or Form 4797 must be
      present.

  46. Form 6478

0745 o Qualified Ethanol Fuel Production (020) cannot be greater than
      15000000 (fifteen million).

0746 o If Total Current Year Credit for Alcohol Used as Fuel (SEQ 230)
      and Net Income Tax (SEQ 390) both contain an entry greater than
      zero, then Form 6251 must be present.

  47. Form 6765

0747 o Fixed-base Percentage (SEQ 100) cannot be greater than 16%
      (016000).

0748 o If Subtract Line 2 from Line 1 – Sect. A (SEQ 040),
      Subtract Line 11 from Line 8 (SEQ 130), Subtract line 18 from
      Line 17 (SEQ 220), Subtract Line 27 from Line 25 (SEQ 310),
      Subtract Line 29 from Line 25 (SEQ 330) Subtract Line 30 from
      Line 28 (SEQ 340), Subtract Line 32 from Line 25 (360), and
      Subtract Line 33 from line 30 (SEQ 370) cannot be less than zero.

0749 o If Subtract Line 43 from Line 42 (SEQ 530) and Net Income Tax (SEQ
      690) both contain an entry greater than zero, then Form 6251 must
      be present.

  48. Form 6781

0700 o When Mixed Straddle Account Election Box (SEQ 040) equals "X",
      Statement Required by Regulations (SEQ 050) must equal "STMbnn".

0701 o When Form 1099-B Adjustments (SEQ 200) is significant, Form 1099-B
      Adjustment Schedule (SEQ 190) must contain "STMbnn".

  49. Form 8082

0711 o Only one of the Following fields can equal "X": Pass-Through
      Entity (Partnership) (SEQ 050) or Pass-Through Entity (Electing
      large Partnership) (SEQ 055) or Pass-Through Entity (S
      Corporation) (SEQ 060) or Pass-Through Entity (Estate) (SEQ 065)
      or Pass-Through Entity (Trust)(SEQ 070) or Pass-Through Entity
      (REMIC)(SEQ 075).

0712 o Identifying Number of Pass-Through Entity (SEQ 080) and Name of
      Pass-Through Entity (SEQ 090) must be significant.

.08 Error Reject Codes for Forms (continued)

0713 o The Identifying Number (SEQ 010) must be significant and equal to
          Primary SSN (SEQ 010) or Secondary SSN (SEQ 030) of Form 1040.

  50. Form 8271

0430 o Reserved

0432 o When Form 8271 is present, one of the following Tax Shelter group
          items must be present on the first occurrence: Tax Shelter Name –
          1 (SEQ 030) or Tax Shelter Registration Number –1 (SEQ 040) or
          Name of Person Who Applied for Registration –1 (SEQ 050) or
          Tax Shelter Identifying Number –1 (SEQ 060).

  51. Form 8275

      o Only Field Format validations apply.

  52. Form 8275-R

      o Only Field Format validations apply.

  53. Form 8283

      o Only Field Format validations apply.

  54. Form 8379

0619 o First Injured Spouse Box (SEQ 030) and Second Injured Spouse Box
          (SEQ 060) cannot both equal "X" and cannot both equal blank.

0620 o When Form 8379 is present, the following fields must be
          significant: either First Injured Spouse Box (SEQ 030) or Second
          Injured Spouse Box (SEQ 060), and either Community Property State-
          Yes Box (SEQ 150) or Community Property State-No Box (SEQ 160).

.08 Error Reject Codes for Forms (continued)

0621 o When Community Property State Yes Box (SEQ 150) is equal to "X",
         one or more of the following community state's abbreviation must be
         significant:

         SEQ 161 Community Property State Abbreviation for Arizona;
         SEQ 162 Community Property State Abbreviation for California;
         SEQ 163 Community Property State Abbreviation for Idaho;
         SEQ 164 Community Property State Abbreviation for Louisiana;
         SEQ 165 Community Property State Abbreviation for Nevada;
         SEQ 166 Community Property State Abbreviation for New Mexico;
         SEQ 167 Community Property State Abbreviation for Texas;
         SEQ 168 Community Property State Abbreviation for Washington;
         and/or
         SEQ 169 Community Property State Abbreviation for Wisconsin.

         See Attachment 5 - Community Property States Abbreviations

0622 o When Total Other Income-Joint Return (SEQ 210) is significant,
         then the sum of Total Other Income-Injured Spouse (SEQ 220) and
         Total Other Income-Other Spouse (SEQ 230) must equal Total Other
         Income-Joint Return (SEQ 210).

0623 o When Standard Deduction-Joint Return (SEQ 510) is significant,
         then the following cannot be present: Itemized Deduction-Joint
         Return (SEQ 540), Itemized Deduction-Injured Spouse (SEQ 550) or
         Itemized Deduction-Other Spouse (SEQ 560).

0624 o When Itemized Deduction-Joint Return (SEQ 540) is significant,
         then the sum of Itemized Deduction-Injured Spouse (SEQ 550) and
         Itemized Deduction-Other Spouse (SEQ 560) must equal Itemized
         Deduction-Joint Return (SEQ 540).

0625 o When Exemptions-Joint Return (SEQ 570) is present, then either
         Exemptions-Injured Spouse (SEQ 580) or Exemptions-Other Spouse
         (SEQ 590) must be present and Exemptions-Joint Return (SEQ 570)
         must equal Total Exemptions (SEQ 360) of Form 1040/1040A.

0626 o When Credits-Joint Return (SEQ 600) is present, then the sum
         of Credits-Injured Spouse (SEQ 610) and Credits-Other Spouse
         (SEQ 620) must equal Credits-Joint Return (SEQ 600).

0627 o When Estimated Tax Payments-Joint Return (SEQ 690) is significant,
         the sum of Estimated Tax Payments-Injured Spouse (SEQ 700) and
         Estimated Tax Payments-Other Spouse (SEQ 710) must equal Estimated
         Tax Payments-Joint Return (SEQ 690).

0628 o When Form 8379 is present, Form 2555/2555EZ must not be present.

 .08 **Error Reject Codes for Forms (continued)**

0629 o When Form 8379 is present, the following fields on Form
        1040/1040A/1040EZ must not be present: Foreign Street
        Address (SEQ 062), Foreign City, State or Province (SEQ 064), or
        Foreign Country (SEQ 066).

0630 o When Form 8379 is present, the State Abbreviation (SEQ 087) of
        Form 1040/1040A/1040EZ cannot equal "AS", "GU",
        "MP", "PR", or "VI".

0631 o When 8379 is present, Filing Status (SEQ 130) of Form 1040/1040A
        must equal "2" (Married Filing Joint) or
        Secondary SSN (SEQ 030) of Form 1040EZ must be present.

 55. **Form 8396**

     o Only Field Format validations apply.

 56. **Form 8582**

     o Only Field Format validations apply.

 57. **Form 8582-CR**

0435 o When Multiply Line 11 by 50% (SEQ 200) is significant, it cannot
        be greater then $25,000.

     o When Multiply Line 23 by 50% (SEQ 330) is significant, it cannot
        be greater than $25,000.

0436 o When Special Allowance for Rental Activity
        (SEQ 210) is significant, Form 8582 must be present.

        When Special Allowance for Rental Activity (SEQ 340) is
        Significant, Form 8582 must be present.

0437 o Modified Adjusted Gross Income (SEQ 310) cannot be less than zero.

 58. **Form 8586**

0651 o If "Eligible Basis of Building(s)" (SEQ 030) is significant, 1 or
        more Forms 8609 must be present.

0652 o If "Qualified Basis of Low-Income Buildings"
        (SEQ 040) is significant, 1 or more Forms 8609 must be present.

0653 o If "Current Year Credit" (SEQ 110) is significant, one or more
        Forms 8609 must be present.

0654 o If "Number of Forms 8609 Attached" (SEQ 020) is significant, a
        matching number of Forms 8609 must be present and a matching
        number of Schedules A (Form 8609) must be present

.08   Error Reject Codes for Forms (continued)

0657 o Flow-through Entity EIN (SEQ 115) must be numeric and the first
         two digits must equal a valid District Office Code.   Refer to
         Attachment 7 for District Office Codes.

0660 o When Passive Activity or Total Current Year Credit (SEQ 0140) and
         Net Income Tax (SEQ 300) both contain an entry greater than zero,
         Form 6251 must be present.

59. Form 8594 |

      o Only Field Format validations apply.

1050 o   When SEQ 300 is present, then SEQ 315 must equal "STMbnn". |
                                                                          |

60. Form 8606

0055 o SSN of Taxpayer with IRAs (SEQ 010) must be significant and equal
         to Primary SSN (SEQ 010) or Secondary SSN (SEQ 030) of
         Form 1040/1040A.

0056 o SSN of Taxpayer with IRAs (SEQ 010) on the second Form 8606 must
         be significant and equal to Secondary SSN (SEQ 030) of
         Form 1040/1040A and must not be equal to SSN of Taxpayer with
         IRAs (SEQ 010) on the first Form 8606. When both spouses are
         filing Form 8606, the Form 8606 for the primary taxpayer must
         precede the Form 8606 for the secondary taxpayer.

0450 o Nondeductible IRA Name (SEQ 009) and SSN of Taxpayer with IRAs
         (SEQ 010) must be significant.

0451 o Nondeductible IRA Name (SEQ 009) must contain a less-than sign
         immediately preceding the last name. If the name includes a
         suffix, another less-than sign is entered between the last name
         and the suffix. Allowable characters are: Alpha, hyphen (-),
         less-than (<), and space.

      o Nondeductible IRA Name (SEQ 009) cannot contain the following: Two
         or more consecutive embedded spaces, a space or less-than sign in
         the first position, a less-than sign in the last position, more
         than two less-than signs, a space preceding or following a
         less-than sign.

61. Form 8609

0780 o Percentage Aggregate Basis Financed (SEQ 250) cannot be blank.   -|

0781 o If Form 8609 is present, then Paper Document Indicator 7 (SEQ 189)
        for Form 8609 must equal 1.

62. **Schedule A (Form 8609)**

    o Only Field Format validations apply.

63. **Form 8611**

    o Only Field Format validations apply.

64. **Form 8615**

0006 o Parent Name Control (SEQ 045) must be significant and correctly
         formatted. See Section 7.01 for Name Control format.

0251 o Child Taxable Income (SEQ 100) must equal Taxable Income
         (SEQ 820) from Form 1040/1040A.

0253 o Parent Filing Status (SEQ 060) must equal "1", "2", "3", "4",
         or "5".

0255 o Gross Unearned Income (SEQ 070) must be greater than $1500.

0256 o Child Name (SEQ 010) must equal Name Line 1 (SEQ 060) of
         Form 1040/1040A.

0257 o Parent Name (SEQ 040) and Parent SSN (SEQ 050) must be
         significant.

0258 o Child SSN (SEQ 020) must be significant and within the valid
         ranges of SSN/ITIN's. Refer to Attachment 8 for valid ranges of
         Social Security/Taxpayer Identification Numbers.

65. **Form 8621**

0768 o If Deemed Dividend Election (SEQ 0250) equals "X", then Attach
         Statement For Post 1986 Earnings & Profits (SEQ 0255) must contain
         "STMbnn".

0769 o If Total Amount Of Cash & Fair Market Value Of Other (SEQ 0360) is
         greater than Add Lines 1c and 2c (SEQ 0350), then Attach Statement
         (SEQ 0365) must contain "STMbnn".

0771 o Identifying Number (SEQ 020) must be significant.

0772 o When Total Distributions From PFIC During Current Tax Year (SEQ
         500) or Total Distributions, Reduced (SEQ 510) or Enter Gain
         (LOSS) of A Sec. 1291 Fund (SEQ 550) is significant then Attach
         statement for each Distribution and Disposition (SEQ 555) must
         contain "STMbnn".

0773 o If Elect to Treat PFIC as QEF (SEQ 230) equals "X" then PRO RATA
         Share of the Ordinary Earnings of the QEF (SEQ 290), Portion of
         Line 1a (SEQ 300), Subtract Line 1b from Line 1a (SEQ 310), PRO
         RATA Share of Total NET Capital Gain of QEF (SEQ 320), Portion of
         Line 2a (SEQ 330) and Subtract Line 2b from Line 2a (SEQ 340) must
         be significant.

0774 o When Elect to Recognize Gain on Sale of Interest in PFIC (SEQ 240)
         equals "X", then Enter Gain (Loss) of Stock of A Sec. 1291 Fund
         (SEQ 550) must be significant.

.08 **Error Reject Codes for Forms (continued)**

0775 o When Elect to Treat POST 1986 Earnings & Profits as an Excess
         Distribution (SEQ 250) equals "X", then Subtract Line 10d from
         Line 10a (SEQ 540) must be significant.

0776 o When Elect to Extend Time of PYMT (SEQ 260) equal "X", then Add
         Lines 1c and 2c (SEQ 350), Total amount of Cash & Fair Market
         Value of Other Property Distributed (SEQ 360), Enter Portion of
         Line 3a (SEQ 370), Add Lines 3b and 3c (SEQ 0380), Subtract Line
         3d From Line 3a (SEQ 390), Total Taxable Income For the Tax Year
         (SEQ 400), Total Tax Without Regard to Amount on Line 3e (SEQ 410)
         and Subtract Line 4b From Line 4a (SEQ 420) must be significant.

0777 o Form 8621 – If Election To Recognize Gain On Deemed Sale Of Pfic
         (SEQ 0270) equals "X", then Enter Gain (Loss) Of Stock Of A Sec.
         1291 Fund (SEQ 0550) must be significant.

66. **Form 8689**

0406 o An "out of service center" District Office (DO) is permitted when
        State Data is present; or when Processing Site equals "C"
        (Andover) and at least one of the following is present: Form 2555,
        Form 2555-EZ, Form 4563, Form 5074, Form 8689, an Address Ind
        (SEQ 097) of the Tax Form equal to "3"; a State Abbreviation
        (SEQ 087) of the Tax Form equal to "AS", "GU", "MP", "PR", or
        "VI".

67. **Form 8697**

0519 o Employer Identification Number of Entity (SEQ 150) and Employee
        Name Control (SEQ 155) on Form 8697, must match data from the IRS
        Master File.

0714 o Employer Identification Number of Entity (SEQ 150) and Name of
        Entity (SEQ 140) on Form 8697 must be present.

0715 o Only one of the following fields can be significant; REG-Net
        Amount of Interest You Owe (SEQ 460) and SMI-Net Amount of
        Interest You Owe (SEQ 830).

0716 o Identifying Number (SEQ 080) must equal either Primary SSN (SEQ
        010) or Secondary SSN (SEQ 030) of Form 1040.

68. **Form 8801**

0665 o Total Tax Credits (SEQ 220) must be greater than zero.

 .08 **Error Reject Codes for Forms (continued)**

 69. **Form 8812**

0475 o **Reserved** |

 70. **Form 8814**

0006 o Child Name Control (SEQ 015) must be significant and correctly
         formatted. See Section 7.01 for Name Control format.

0261 o When one Form 8814 is present, Multiple F8814 Indicator (SEQ 030)
         cannot be significant. When more than one Form 8814 is present,
         Multiple F8814 Indicator (SEQ 030) of the first Form 8814 must be
         significant.

      o Form 8814 Amount (SEQ 857) of Form 1040 must equal Form 8814 Tax
         (SEQ 220) from Form(s) 8814.

0262 o Child Taxable Unearned Income (SEQ 170) must be greater than $750
         and less than $7500.

0264 o When Tax Exempt Literal (SEQ 040) is significant, Tax Exempt
         Amount (SEQ 050) must be significant.

      o When Nominee Dist. Literal 1 (SEQ 060) is significant, Nominee
         Dist. Amount 1 (SEQ 070) must be significant.

      o When Non-Taxable Literal (SEQ 080) is significant, Non-Taxable
         Amount (SEQ 090) must be significant.

0265 o When Nominee Dist. Literal 2 (SEQ 120) is significant, Nominee
         Dist. Amount 2 (SEQ 130) must be significant.

0266 o Child Name (SEQ 010) must be significant. Child SSN (SEQ 020)
         must be must be significant and within the valid ranges of
         SSN/ITIN/ATIN's. Refer to Attachment 8 for valid ranges of
         Social Security/Taxpayer Identification Numbers.

0267 o Tax Amount Basis (SEQ 210) cannot be less than zero. When Tax
         Amount Basis (SEQ 210) is greater than zero and less than $750,
         Form 8814 Tax (SEQ 220) must be significant. When Tax Amount
         Basis (SEQ 210) is equal to or greater than $750, Form 8814 Tax
         (SEQ 220) must equal $75.

 71. **Form 8815**

0282 o Taxable Expenses (SEQ 190) must be greater than zero.

0283 o Form 8815 - If Filing Status (SEQ 130) of Form 1040/1040A
         equals "2" or "5", then Modified AGI (SEQ 240) of Form 8815 must
         be less than $**11,640.** If Filing Status equals "1" or "4", then |
         Modified AGI (SEQ 240) must be less than $**72,600.** |

 .08 Error Reject Codes for Forms (continued)

   72. Form 8820

0750 o If Total Current Year Orphan Drug Credit (SEQ 050) and Net Income
        Tax (SEQ 210) both contain an entry greater than zero, then Form
        6251 must be present.

   73. Form 8824

        o Only Field Format validations apply.

   74. Form 8826

0751 o Subtract Line 2 from Line 1 (SEQ 030) cannot be less than zero.

0752 o Total Current Year Disabled Access Credit (SEQ 070) cannot be
        greater than 5000.

0753 o If Total Current Year Disabled Access Credit (SEQ 070) and Net
        Income Tax (SEQ 230) both contain an entry greater than zero, then
        Form 6251 must be present.

   75. Form 8828

0288 o Original Loan Closing Date (SEQ 100) cannot be before
        January 1, 1991 (01011991).

   76. Form 8829

0186 o Home Business Expense (SEQ 703) of Schedule C must equal
        Schedule C Allowable Expenses (SEQ 450) from Form 8829.

0193 o Total Hours Available (SEQ 065) cannot exceed the maximum number
        of available hours (24 hrs x the number of days in the year).

   77. Form 8830

0754 o If Total Current Year Credit (SEQ 050) and Net Income Tax (SEQ
        210) both contain an entry greater than zero, then Form 6251 must
        be present.

   78. Form 8834

0755 o If Tentative Qualified Electric Vehicle Credit (SEQ 230) and Net
        Regular Tax (SEQ 360) both contain an entry greater than zero,
        then Form 6251 must be present.

.08 Error Reject Codes for Forms (continued)

79. Form 8835

0756 o If Total Current Year Credit (SEQ 200) and Net Income Tax (SEQ
        360) both contain an entry greater than zero, then Form 6251 must
        be present.

80. Form 8839

0480 o When Identifying Number Child (SEQ 080, 160) is significant, it
        must be within the valid ranges of SSN/ITIN/ATIN's. Refer to
        Attachment 8 for valid ranges of Social Security/Taxpayer
        Identification Numbers.

0481 o Eligible Child First Name - 1 (SEQ 010), Eligible Child Last
        Name - 1 (SEQ 020), Eligible Child Name Control - 1 (SEQ 030),
        Year of Birth - 1 (SEQ 040), and Identifying Number Child - 1
        (SEQ 080) must be significant.

     o If any field of the following "eligible child group" is
        significant, then all fields in that group must be significant:
        Eligible Child First Name (SEQ 010, 090); Eligible Child Last
        Name (SEQ 020, 100); Eligible Child Name Control (SEQ 030, 110);
        Year of Birth (SEQ 040, 120); and Identifying Number Child
        (SEQ 080, 160).

     o Eligible Child Name Control (SEQ 030, 110) must be in the correct
        format. See Section 7.01 for Name Control format.

0482 o Year of Birth - 1 (SEQ 040) and Year of Birth - 2 (SEQ 120)
        cannot be greater than current tax year.

0483 o Identifying Number Child - 2 (SEQ 160) cannot equal Identifying
        Number Child - 1 (SEQ 080). Identifying Number Child - 1
        (SEQ 080) and Identifying Number Child - 2 (SEQ 160) cannot equal
        Primary SSN (SEQ 010) or Secondary SSN (SEQ 030) of
        Form 1040/1040A.

0484 o If Year of Birth - 1 or - 2 (SEQ 040, 120) is prior to "198**4**", |
        then the corresponding Disabled Over 18 Box - 1 or - 2 (SEQ 049,
        129) must equal "X".

0485 o Modified AGI (SEQ 240) and Modified AGI (SEQ 390) must be less
        than $**190,000**. |

 .08 Error Reject Codes for Forms (continued)

0487 o **Reserved**   - |

 81. Form 8844

0757 o If Tentative EZE Credit (SEQ 120) and Net Income Tax (SEQ 280)
         both contain an entry greater than zero, then Form 6251 must be
         present.

 82. Form 8845

0758 o If Total Current Year Credit (SEQ 070) and Net Income Tax
         (SEQ 230) both contain an entry greater than zero, then Form 6251
         must be present.

 83. Form 8846

0759 o If Total Current Year Credit (SEQ 080) and Net Income Tax (SEQ
         240) both contain an entry greater than zero, then Form 6251 must
         be present.

 84. Form 8847

0760 o If Total Current Year CDC Credit (SEQ 050) and Net Income Tax (SEQ
         210) both contain an entry greater than zero, then Form 6251 must
         be present.

 85. Form 8853

0350 o Policyholder SSN (SEQ 289) must be numeric and within the valid
         range for an SSN or an ITIN.

      o Insured SSN (SEQ 310) must be numeric and within the valid range
         for an SSN or an ITIN.

      o Refer to Attachment 8 for valid ranges of Social Security/Taxpayer
         Identification Numbers.

0351 o MSA Acct Holder SSN (SEQ 009) must equal either the Primary SSN
         (SEQ 010) or the Secondary SSN (SEQ 030) of Form 1040.

0355 o If Employer Contributions - Yes (SEQ 140) equals "X", then Total
         Employer Contributions for Current Tax Year (SEQ 160) must be
         significant. If Total Employer Contributions for Current Tax Year
         (SEQ 160) is significant, then Employee Contributions-Yes (SEQ
         140) must equal "X".

 .08 **Error Reject Codes for Forms (continued)**

0356 o If Employer Contributions - Yes (SEQ 140) equals "X", then
        Employer Contributions - No (SEQ 150) must be blank, and vice
        versa. Both cannot be blank.

0359 o One box of the following pairs must equal "X", both cannot equal
        "X", and both cannot equal space: -|
        - Payments or Death Benefits - Yes (SEQ 320)
        - Payments or Death Benefits - No (SEQ 330)
             and
        - Insured Terminally Ill - Yes (SEQ 340)
        - Insured Terminally Ill - No (SEQ 350).

0362 o If Taxable MSA Distributions (SEQ 250) is significant, and
        Exceptions to 15% Tax box (SEQ 260) is blank, then Total Taxable
        MSA Distributions (SEQ 270) must be significant.

     o If Taxable MSA Distributions (SEQ 250) is significant, and
        Exceptions to 15% Tax box (SEQ 260) is equal to "X", then Total
        taxable MSA Distributions (SEQ 270) must be blank.

0363 o If Taxable MSA Distributions (SEQ 250) is significant, then
        either Exceptions to 15% Tax Box (SEQ 260) or Total Taxable MSA
        Distributions (SEQ 270) must be significant.

0365 o Reserved

 86. **Form 8859**

0761 o Divide Line 3 by $20,000 (SEQ 140) cannot be greater than a
        decimal of 1.0000.

 87. **Form 8861**

0762 o If Total Current Year Welfare-to-Work Credit (SEQ 080) and Net
        Income Tax (SEQ 240) both contain an entry greater than zero, then
        Form 6251 must be present.

 88. **Form 8862**

0602 o Year for Which You Are Filing This Form (SEQ 010) must equal the
        current tax year.

0603 o Qualifying Child of Another Person (SEQ 030) must equal "X". If
        Qualifying Child of Another Person (SEQ 030) does not equal "X",
        the taxpayer is not eligible to file Form 8862 and claim Earned
        Income Credit.

0604 o When Schedule EIC is not present, Did The Child Live With You In
        The USA YES Box-1 (SEQ 290) of Form 8862 must be present.

0605 o When Schedule EIC is present, Relationship Yes Box-1 (SEQ 060) of
        Form 8862 must be present.

.08 Error Reject Codes for Forms (continued)

89. Form 8863

0379 o The student entries in Part I and in Part II must begin on Line 1
         in each part. No lines may be skipped when completing the
         student information in either part.

0380 o Student's SSN (SEQ 035, 105, 175, 275, 315, 355, 395, 435) may be
         used only once to claim an education credit (Hope or Lifetime
         Earning). No Student's SSN may be used in Part I (Hope Credit)
         and Part II (Lifetime Learning Credit). Student's SSN must be
         within the valid ranges of SSN/ITIN/ATIN's. Refer to
         Attachment 8 for valid ranges of Social Security/Taxpayer
         Identification Numbers.

0381 o When student data is present in either Part I or Part II, each of
         the following fields must be significant for each student:
         Student's First Name, Student's Last Name, Student's Name
         Control, Student's SSN. (See Part II Record Layouts for Field
         Numbers.)

0383 o To be eligible for Education Credit, the student must be either
         the Primary taxpayer, Spouse or a dependent. On Form 8863, each
         Student's SSN must equal either the Primary SSN (SEQ 010), the
         Secondary SSN (SEQ 030) or one of the Dependent SSN's (SEQ 175,
         185, 195, 205, 215). When the dependent information is on a   -|
         statement, the Dependent SSN's from the statement are part of the
         requirement.

0385 o Qualified Expenses Paid in the Current Tax Year (SEQ 040, 110,
         180) for each student may not be over $2000.

0387 o Hope Scholarship Credit (SEQ 240) cannot exceed $1500. Lifetime
         Learning Credit (SEQ 470) cannot exceed $1000.

90. Form 8865

0635 o **Reserved**   -|

0636 o When Category 2 Filer (SEQ 090) is significant, at least one   -|
         Schedule K-1 (Form 8865) must be present.

0637 o Business Activity Code (SEQ 690) must be within the valid range
         (111100 – 813000).

0638 o When Owns Direct Interest (SEQ 1040) is significant, all of the
         following fields must be significant: Name Constructive Ownership
         (SEQ 1050), Address Constructive Ownership (SEQ 1060), City
         Constructive Ownership (SEQ 1070), State Constructive Ownership
         (SEQ 1080), Zip Code Constructive Ownership (SEQ 1090) and
         Identifying Number Constructive Ownership (SEQ 1100).

0639 o When Total (SEQ 2240) is significant, Gross Receipts or Sales
         (SEQ 2220) or Less Returns and Allowances (SEQ 2230) must be
         significant.

0640 o When Gross Profit (SEQ 2260) is significant, Total (SEQ 2240) or
         Cost of Goods Sold (SEQ 2250) must be significant.

.08 Error Reject Codes for Forms (continued)

0641 o When Net Farm Profit (Loss) (SEQ 2280) is significant, Schedule F
        (Form 1040) must be present.

0642 o When Total Income (Loss) (SEQ 2310) is significant, one of the
        following fields must be significant: Gross Profits (SEQ 2260),
        Ordinary Income (Loss) (SEQ 2270), Net Farm Profit (Loss) (SEQ
        2280), Net Gain (Loss)(SEQ 2290) or Other Income (Loss) (SEQ 2300).

0643 o When Total Deductions (SEQ 2450) is significant, one of the
        following fields must be significant: Salaries & Wages (SEQ 2320),
        Guaranteed Payments to Partners (SEQ 2330), Repairs & Maintenance
        (SEQ 2340), Bad Debts (SEQ 2350), Rent(SEQ 2360), Taxes & Licenses
        (SEQ 2370), Interest (SEQ 2380), Depreciation (SEQ 2390), Less
        Depreciation Reported on Schedule A (SEQ 2400), Depletion (SEQ
        2410), Retirement Plans (SEQ 2420), Employee Benefit Programs
        (SEQ 2430) or Other Deductions (SEQ 2440).

0644 o When Net Short-Term Capital Gain or (Loss) (SEQ 2750) is
        significant, Net Short-Term Capital Gain or (Loss) (SEQ 3230) or
        Other Income (Loss) (SEQ 3300) must be significant.

0645 o When Combine Lines 6-10 in Column (g) (SEQ 3120) is significant,
        28% Rate Gain (Loss) (SEQ 3250) or Other Income (Loss) (SEQ 3300)
        must be significant.

0646 o When Net Long-Term Capital Gain or (Loss) (SEQ 3130) is
        significant, Net Long-Term Capital Gain or (Loss)(SEQ 3240) or
        Other Income (Loss) (SEQ 3300) must be significant.

0647 o When Net Section 1231 Gain (Loss) (SEQ 3290) is significant, Form
        4797 must be present.

0648 o When Expenditures Related to Rental Real Estate (SEQ 3390) is
        significant, Form 3468 must be present.

0649 o When Total Foreign Taxes (SEQ 3690) is significant, Foreign Taxes
        (Paid) (SEQ 3670) or Foreign Taxes (Accrued) (SEQ 3680) must be
        significant.

0650 o Only one of the following fields can be significant: Foreign Taxes
        (Paid) (SEQ 3670) or Foreign Taxes (Accrued) (SEQ 3680).

0655 o If File Form 1065 (SEQ 0800) is equal to "X", then the EIN |
**   Foreign Partnership (SEQ 0650) must be numeric and the first two |**
**   positions must be equal to a valid District Office Code. Refer to |**
**   Attachment 7 for EIN's Prefix Codes. |**

.08 Error Reject Codes for Forms (continued)

0661 o When Number of Foreign Disregarded Entities (SEQ 960) is
         significant, Attach List of Entities (SEQ 965) must equal "STMbnn".

      o When Ordinary Income (Loss)(SEQ 2270) is significant, Ordinary
         Income (Loss)(Attach Schedule)(SEQ 2275) must equal "STMbnn".

      o When Other Income (Loss) (SEQ 2300) is significant, Other Income
         (Loss)(Attach Schedule)(SEQ 2305) must equal "STMbnn".

      o When Other Deductions (SEQ 2440) is significant, Other Deductions
         (Attach Schedule) (SEQ 2445) must equal "STMbnn".

      o When Expenses From Other Rental Activities (SEQ 3180) is
         significant, Expenses (Attach Schedule)(SEQ 3185) must equal
         "STMbnn".

      o When Other Portfolio Income (Loss) (SEQ 3270) is significant, Other
         Portfolio (Attach Schedule) (SEQ 3275) must equal "STMbnn".

      o When Other Income (Loss) (SEQ 3300) is significant, Other Income
         (Loss) (Attach Schedule) (SEQ 3305) must equal "STMbnn".

      o When Charitable Contributions (SEQ 3310) is significant, Charitable
         Contributions (Attach Schedule) (SEQ 3315) must equal "STMbnn".

      o When Deductions Related to Portfolio Income (SEQ 3330) is
         significant, Deductions Related to Portfolio Income (Itemize) (SEQ
         3335) must equal "STMbnn".

      o When Other Deductions (SEQ 3340) is significant, Other Deductions
         (Attach Schedule) (SEQ 3345) must equal "STMbnn".

      o When Other Adjustments & Tax Preference Items (SEQ 3540) is
         significant, Other Adjustments (Attach Schedule) (SEQ 3545) must
         equal "STMbnn".

      o When Other Current Assets BOY (SEQ 3940) or Other Current Assets
         EOY (SEQ 3950) is significant, Other Current Assets (Attach
         Schedule) (SEQ 3955) must equal "STMbnn".

      o When Other Investments BOY (SEQ 3980) or Other Investments EOY
         (SEQ 3990) is significant, Other Investments (Attach Schedule)
         (SEQ 3995) must equal "STMbnn".

      o When Other Assets BOY (SEQ 4200) or Other Assets EOY (SEQ 4210) is
         significant, Other Assets (Attach Schedule) (SEQ 4215) must equal
         "STMbnn".

      o When Other Current Liabilities BOY (SEQ 4280) or Other Current
         Liabilities EOY (SEQ 4290) is significant, Other Current
         Liabilities (Attach Schedule) (SEQ 4295) must equal "STMbnn".

      o When Other Liabilities BOY (SEQ 4340) or Other Liabilities EOY (SEQ
         4350) is significant, Other Liabilities (Attach Schedule) (SEQ
         4355) must equal "STMbnn".

      o When Listed Categories BOY (SEQ 4460) or Listed Categories EOY (SEQ
         4470) is significant, Listed Categories (Attach Schedule) (SEQ
         4475) must equal "STMbnn".

.08   Error Reject Codes for Forms (continued)

o (continued)

0661
o When Total Other Increases (SEQ 4690) is significant, Other
   Increases (Itemize) (SEQ 4685) must equal "STMbnn".

o When Total Other Decreases (SEQ 4730) is significant, Other
   Decreases (Itemize) (SEQ 4725) must equal "STMbnn".

0662 o The following fields must be positive: SEQs 2320, 2330, 2360, 2370,
         2380 and 3100.

91.   Schedule K-1 (Form 8865)

0663 o Schedule K-1 (Form 8865) – The following fields must be positive:
             SEQs 320, 370, 380, 390, 440 and 480.

92.   Schedule O (Form 8865)

o Only Field Format validations apply.

93.   Schedule P (Form 8865)

o Only Field Format validations apply.

94.   Form 8866

0607 o If more than one Form 8866 is present, then only the first
             occurrence of Form 8866 can have significant data in Total Interest
             Due on Increase (SEQ 430) or Total Interest to be Refunded on
             Decrease (SEQ 440).

95.   Form 8880 |

0165 o **Form 8880 – If Credit Contributions (SEQ 0200) is significant, then** |
             it must equal Credit for Qualified Retirement Savings (SEQ |
             0937/0953) of Tax Form. |

0166 o **Total Line 6a and 6b (SEQ 0130) must be greater than zero.** |

96.   Form 9465

0167 o Monthly Payment Date (SEQ 310) must be significant and must be
         within the 01 to 28 range.

0168 o Monthly Payment (SEQ 300) must be equal to or greater than $25.

0172 o Amount Owed on Tax Return (SEQ 280) cannot be greater than $25000.

.08   Error Reject Codes for Forms (continued)

0710 o   When Direct Debit information is present, Routing Transit Number
          (SEQ 330)(RTN) must contain nine numeric characters. The first
          two positions must be 01 through 12, or 21 through 32; the RTN
          must be present on the Financial Organization Master File (FOMF);
          and the banking institution must process Electronic Funds Transfer
          (EFT). See Section 6 for optional Routing Transmit Number
          validation.

      o   Bank Account Number (SEQ 340) must be alphanumeric (i.e., only
          alpha characters, numeric characters, and hyphens), must be left-
          justified with trailing blanks if less than 17 positions, and
          cannot equal all zeros.

          If Routing Transit Number (SEQ 330) or Bank Account Number (SEQ
          340) is significant, then Checking Account Indicator (SEQ 350)
          or Savings Account Indicator (SEQ 360) must equal "X". Both
          cannot equal "X".

97.   Form Payment

The literal "PAYMENT REQUEST RECD" (SEQ 0115) in the Acknowledgement file
will indicate a valid payment record on an accepted return.

0010 o   Form Payment - Taxpayer's Day Time Phone Number (SEQ 090) is a
          required field and cannot equal all zeros or all blanks.

0395 o   Primary SSN (SEQ 010) must equal Primary SSN (SEQ 010) of the Tax
          Form.

      o   When Filing Status (SEQ 130) equals "2", Secondary SSN (SEQ 020)
          must equal Secondary SSN (SEQ 030) of the Tax Form.

0396 o   Routing Transit Number (SEQ 030) (RTN) must contain numeric
          characters. The first two positions must be 01 through 12, or
          21 through 32; the RTN must be present on the Financial
          Organization Master File (FOMF); and the banking institution must
          process Electronic Funds Transfer (EFT). See Section 6 for
          optional Routing Transit Number validation.

      o   Bank Account Number (SEQ 040) must be present, must be
          alphanumeric (i.e., only alpha characters, numeric characters, and
          hyphens), must be left-justified with trailing blanks if less
          than 17 positions, and cannot equal all zeros or all blanks.

      o   Type of Account (SEQ 050) must equal "1" or "2".

 .08 Error Reject Codes for Forms (continued)

0397 o Form Payment – (Balance Due Payments) When the return is
        transmitted to the IRS on or before April 15 of the current
        processing year, the Requested Payment Date (SEQ 080) cannot be
        later than April 15.

     o When the return is transmitted to IRS after April 15, the Requested
        Payment Date (SEQ 080) cannot be later than the current processing
        date.

     o The year of the Requested Payment Date (SEQ 080) must equal the
        current processing year.

     o The Requested Payment Date cannot be prior to the current
        processing date minus five days.

0398 o Form Payment (Estimated Payments) – The Requested Payment Date (SEQ
        080) must be one of the following: 200**3**041**5** or 200**3**061**7**, or |
        200**3**091**6**. |

     o If the process date is before April 23 of the current processing
        year, the Requested Payment Date (SEQ 080) must be 200**3**041**5**, or |
        200**3**061**6,** or 200**3**091**5**. |

     o If the process date is April 23 through **June 23, 2003** of the |
        current processing year, the Requested Payment Date (SEQ 080) must
        be 200**3**061**6,** or 200**3**091**5**. |

     o If the process date is **June 23, 2003** through **September 22, 2003** |
        of the current processing year, the Requested Payment Date
        (SEQ 080) must be 200**3**091**5**. |

     o The process date cannot be greater than **September 23, 2003**. |

     o The year of the Requested Payment Date (SEQ 080) must equal the
        current processing year.

0690 o (Balance Due) – If Refund (SEQ 1270) of the Tax
        Form is greater than zero, then a Tax Type Code of Form 1040, Form
        1040A or Form 1040EZ or Form 1040T cannot be present.

0691 o (Balance Due) – Amount of Tax Payment (SEQ 060) cannot be greater
        than Amount Owed (SEQ 1290) of the Tax Form.

0692 o Amount of Tax Payment (SEQ 060) must be greater than zero.

0693 o When there are two occurrences of Form Payments,
        one of the occurrences must have a Tax Type Code (SEQ 070) of
        "1040S".

Section 11 – Validation – Specific Schedules and Forms

.09 **Authenticaton Record**

0025 o For an On-Line return (when PIN Type Code (SEQ 008) is blank), the following fields must be present: Jurat/Disclosure Code (SEQ 075) of Authentication Record and the Taxpayer Signature Date (SEQ 070) and Primary Date of Birth (SEQ 010) of the Authentication Record.

0026 o For an On-Line return (when PIN Type Code (SEQ 008) is blank), if Filing Status (SEQ 130) of the Tax Form equals "2", then the following fields must be present: Jurat/Disclosure Code (SEQ 075) of Authentication Record and the Taxpayer Signature Date (SEQ 070) and Spouse Date of Birth (SEQ 040) of the Authentication Record.

0522 o Primary Date of Birth (SEQ 010) in the Authentication Record of an On-Line Return does not match data from the IRS Master File.

0523 o Spouse Date of Birth (SEQ 040) in the Authentication Record of an On-Line Return does not match data from the IRS Master File.

0664 o Authentication Record - When the Transmission Type Code (SEQ 0170) of the TRANA Record is equal to "O", then the PIN Type Code (SEQ 008) must equal either "O" or Blank.

    o Authentication Record - When the Transmission Type Code (SEQ 0170) of the TRANA Record is equal to Blank, then the PIN Type Code (SEQ 008) must equal "P", or "S".

0670 o When the PIN Type Code (SEQ 008) is equal to "S", then the following fields must be present; Primary Date of Birth (SEQ 010), Primary Prior Year Adjusted Gross Income (SEQ 020), Primary Taxpayer Signature (SEQ 035), Taxpayer Signature Date (SEQ 070), Jurat/Disclosure Code (SEQ 075), PIN Authorization Code (SEQ 080) and ERO EFIN/PIN (SEQ 090).

    o **When the Filing Status (SEQ 130) equals "2", AND the Primary Date of Death (SEQ 020) is significant and the Secondary Date of Death (SEQ 040) on the Tax Return is "NOT" significant, bypass this check. Only the spouse fields are required.**

0671 o When the PIN Type Code (SEQ 008) is equal to "S" and Filing Status (SEQ 130) is "2" (Married Filing Jointly), then the following fields must be present; Spouse Date of Birth (SEQ 040), Spouse Prior Year Adjusted Gross Income (SEQ 050) and Spouse Signature (SEQ 065).

    When the Secondary Date of Death (SEQ 040) on the Tax Return is significant and the Primary Date of Death (SEQ 020) is "NOT" significant, bypass this check. Only the primary fields are required.

    When the Primary Date of Death (SEQ 020) "AND" the Secondary Date of Death (SEQ 040) are significant on the Tax Return, bypass this check. Only the primary fields are required.

0672 o When the PIN Type Code (SEQ 008) is equal to "P" or "S", then the ERO EFIN/PIN (SEQ 090) must be present.

    o When the PIN Type Code (SEQ 008) is equal to "O", then the ERO EFIN/PIN (SEQ 090) cannot be present.

0673 o For On-Line Returns only, when the PIN Type Code (SEQ 008) is blank (No PIN Used), then the Jurat/Disclosure Code (SEQ 075) must equal "B".

 .09 **Authenticaton Record**

0674 o When the PIN Type Code (SEQ 008) is equal to "P", "S" or "O", then
        Primary Taxpayer Signature (SEQ 1321) on the Tax Return must be
        five digits and cannot be all zeros.
        and
        The Primary Taxpayer Signature (SEQ 1321) on the Tax Return must
        match the Primary Taxpayer Signature (SEQ 035) on the
        Authentication Record.

     o When the PIN Type Code (SEQ 008) is "Blank", then the Primary
        Taxpayer Signature (SEQ 035) cannot be present.

0675 o When the PIN Type Code (SEQ 008) is equal to "P", "S" or "O" and
        the Filing Status (SEQ 130) is "2" (Married Filing Jointly), then
        Spouse Signature (SEQ 1324) on the Tax Return must be five digits
        and cannot be all zeros.
        And
        The Spouse Signature (SEQ 1324) on the Tax Return must match the
        Spouse Signature (SEQ 065) on the Authentication Record.

     o When the PIN Type Code (SEQ 008) is "Blank" and when the Filing
        Status (SEQ 130) is "2" (Married Filing Jointly), then the Primary
        Taxpayer Signature (SEQ 035) and Spouse Signature (SEQ 065) cannot
        be present.

     o **When the Secondary Date of Death (SEQ 040) on the Tax Return is** |
        significant but the Primary Date of Death (SEQ 020) is "NOT" |
        significant, bypass this check. Only the primary fields are |
        required. |

     o **When the Primary Date of Death (SEQ 020) "AND" the Secondary Date** |
        of Death (SEQ 040) are significant on the Tax Return, bypass this |
        check. Only the primary fields are required. |

0676 o When the PIN Type Code (SEQ 008) is equal to "P", "S", or "O" and
        the Filing Status (SEQ 130) is "2" (Married Filing Jointly), then
        the Primary Taxpayer Signature (SEQ 035) and Spouse Signature (SEQ
        065) both must be present.

     o When the PIN Type Code (SEQ 008) is equal to "P", "S" or "O" and
        the Filing Status is other than "2" (Married Filing Jointly), then
        the Spouse Signature (SEQ 065) cannot be present.

     o **When the Secondary Date of Death (SEQ 040) on the Tax Return is** |
        significant but the Primary Date of Death (SEQ 020) is "NOT" |
        significant, bypass this check. Only the primary fields are |
        required. |

     o **When the Primary Date of Death (SEQ 020) "AND" the Secondary Date** |
        of Death (SEQ 040) are significant on the Tax Return, bypass this |
        check. Only the primary fields are required. |

     o **When the Filing Status (SEQ 130) equals "2", the Primary Date of** |
        Death (SEQ 020) on the Tax Return is significant and the Secondary |
        Date of Death (SEQ 040) is "NOT" significant, bypass this check. |
        Only the spouse fields are required. |

 .09 __Authenticaton Record__

0679 o When the PIN TYPE Code (SEQ 008) is equal to "S" or "O", the
        Primary Prior Year Adjusted Gross Income (SEQ 020) must match the
        Primary Prior Year Adjusted Gross Income on the IRS Master File.

     o __When the Filing Status (SEQ 130) equals "2", the Primary Date of__ |
        __Death (Seq 020) on the Tax Return is significant and the Secondary__ |
        __Date of Death (SEQ 040) is "NOT" significant, bypass this check.__ |
        __Only the spouse fields are required.__ |

0680 o When the PIN TYPE Code (SEQ 008) is equal to "S" or "O" and the
        Filing Status (SEQ 130) is "2" (Married Filing Jointly), the
        Spouse Prior Year Adjusted Gross Income (SEQ 050) must match the
        Spouse Prior Year Adjusted Gross Income on the IRS Master File.

     o __When the Filing Status (SEQ 130) on the Tax Return equals "2", and__ |
        __the Secondary Date of Death (SEQ 040) is significant, but the__ |
        __Primary Date of Death (SEQ 020) is "NOT" significant, bypass this__ |
        __check. Only the primary fields are required.__ |

0681 o When the PIN Type Code (SEQ 008) is equal to "O", then the
        following fields must be present; Primary Date of Birth (SEQ 010),
        Primary Prior Year Adjusted Gross Income (SEQ 020), Primary
        Taxpayer Signature (SEQ 035), Taxpayer Signature Date (SEQ 070),
        Jurat/Disclosure Code (SEQ 075) and PIN Authorization Code (SEQ
        080).

     o __When the Filing Status (SEQ 130) equals "2", AND the Primary Date__ |
        __of Death (SEQ 020) is significant and the Secondary Date of Death__ |
        __(SEQ 040) on the Tax Return is "NOT" significant, bypass this__ |
        __check. Only the spouse fields are required.__ |

0682 o When the PIN Type Code (SEQ 008) is equal to "O" and Filing Status
        (SEQ 130) is "2" (Married Filing Jointly), then the following
        fields must be present; Spouse Date of Birth (SEQ 040), Spouse
        Prior Year Adjusted Gross Income (SEQ 050) and Spouse Signature
        (SEQ 065).

     o __When the Secondary Date of Death (SEQ 040) on the Tax Return is__ |
        __significant and the Primary Date of Death (SEQ 020) is "NOT"__ |
        __significant, bypass this check. Only the primary fields are__ |
        __required.__ |

     o __When the Primary Date of Death (SEQ 020) "AND" the Secondary Date__ |
        __of Death (SEQ 040) are significant on the Tax Return, bypass this__ |
        __check. Only the primary fields are required.__ |

0683 o When the PIN TYPE Code (SEQ 008) is equal to "P" or "S", the first
        six numeric of the ERO EFIN/PIN (SEQ 090) must equal the
        Electronic Filer ID Number (EFIN) in the Declaration Control
        Number (DCN)(11 digits total).

0684 o When the PIN TYPE Code (SEQ 008) is equal to "P", "S" or "O", then
        the Paper Document Indicator 1 (SEQ 150) or Paper Document   -|
        Indicator 3 (SEQ 170) or Paper Document Indicator 4 (SEQ 180) or
        Paper Documents Indicator 5 (SEQ 185) or Paper Document Indicator
        6 (SEQ 188) or Paper Documents Indicator 7 (SEQ 189) of Summary
        Record cannot be present.

Section 11 – Validation – Specific Schedules and Forms

 .09 Authenticaton Record

0689 o The year of Taxpayer Signature Date (SEQ 070) must equal current
        processing year.

0694 o When the PIN Type Code (SEQ 008) is equal to "S", then the
        Jurat/Disclosure Code (SEQ 075) must equal "C".

0695 o When the PIN Type Code (SEQ 008) is equal to "P", then the
        Jurat/Disclosure Code (SEQ 075) must equal "D".

0696 o When the PIN Type Code (SEQ 008) is equal to "O", then the
        Jurat/Disclosure Code (SEQ 075) must equal "A".

0697 o When the PIN Type Code (SEQ 008) is equal to "P", then the
        following fields must be present; Primary Taxpayer Signature (SEQ
        035), Taxpayer Signature Date (SEQ 070), Jurat/Disclosure Code (SEQ
        075), PIN Authorization Code (SEQ 080) and ERO EFIN/PIN (SEQ 090).

      o **When the Filing Status (SEQ 130) equals "2", the Primary Date of** |
        Death (Seq 020) on the Tax Return is significant and the Secondary |
        Date of Death (SEQ 040) is "NOT" significant, bypass this check. |
        Only the spouse fields are required. |

0698 o When the PIN Type Code (SEQ 008) is equal to "P" and Filing Status
        (SEQ 130) is "2" (Married Filing Jointly), then the Spouse
        Signature (SEQ 065) must be present.

      o **When the Secondary Date of Death (SEQ 040) on the Tax Return is** |
        significant and the Primary Date of Death (SEQ 020) is "NOT" |
        significant, bypass this check. Only the primary fields are |
        required. |

      o **When the Primary Date of Death (SEQ 020) "AND" the Secondary Date** |
        of Death (SEQ 040) are significant on the Tax Return, bypass this |
        check. Only the primary fields are required. |

0699 o When the PIN Type Code (SEQ 008) is equal to "P", then the
        following fields must NOT be present; Primary Prior Year Adjusted
        Gross Income (SEQ 020) and Spouse Prior Year Adjusted Gross Income
        (SEQ 050).

<u>Section 11 – Validation – Specific Schedules and Forms</u>

  .10   **<u>Short Term Capital Gain/Loss (STCGL) and Long Term Capital Gain/Loss</u>**
         <u>(LTCGL)</u>

1060 o   **STCGL/LTCGL – Schedule D Page 1 or Form 8865 Page 1 must be the** |
              next record after the Capital Gain/Loss Records. |

              The Subpart Type (SEQ 0001) and Subpart Occurrence Number (SEQ |
              0005) must match the Record ID (SEQ 0000) and Schedule/Form |
              Occurrence Number (SEQ 0005) from the parent (Schedule D or Form |
              8865) that immediately follows the Capital Gain Records. |

1061 o   **STCGL/LTCGL – The Transaction Occurrence Number (SEQ 0010) must** |
              be significant and in ascending, consecutive numerical sequence |
              beginning with "0000001". |

1062 o   **STCGL/LTCGL – any STCGL Reference number "STCGL" occurring** |
              within a tax return must have a corresponding STCGL Record. |

              Any LTCGL Reference number "LTCGL" occurring within a tax return |
              must have a corresponding LTCGL Record. |

              If ST Property Desc 1 of Schedule D (SEQ 0020) is equal to |
              "STCGL" then SEQ 0030 – 0285 must be blank. If LT Property |
              Desc 1 of Schedule D (SEQ 0880) is equal to "LTCGL" then SEQ |
              0890 – 1155 must be blank. |

              If S-T Description of Property of Form 8865 (SEQ 2480) is equal |
              to "STCGL" then SEQ 2490 – 2710 must be blank. IF L-T |
              Description of Property of Form 8865 (SEQ 2760) is equal to |
              "LTCGL" then SEQ 2770 – 3030 must be blank. |

Section 11 – Validation – Specific Schedules and Forms

.11 State Records

0009 o The unformatted state record exceeds the maximum length.

0042 o Only the following must be present: Form 1040 Page 1, State |
**   Generic Record, at least one Unformatted Record and a Summary |**
**   Record. |**

0399 o The Primary SSN (SEQ 0010) must match the Primary SSN (SEQ 0010) |
**   of Form 1040. |**

0400 o The Generic Record must be present in the state data packet.

      o An Unformatted Record was present without the Generic Record, or
         the Unformatted Record preceded the Generic Record.

0401 o The State Code (SEQ 010) in the Header Section of the Generic
         Record must be valid for the processing service center.

      o The State Code must be consistent throughout Generic and
         associated Unformatted Records for the return.

0402 o All "Required Entry" fields in the Entity Section of the Generic
         Record (SEQ 060, 075, 085, 095, 100) must be present.

0403 o Any entry present in the Consistency Section of the Generic
         Record must equal the corresponding federal Tax Form entry.

0404 o The DCN (SEQ 020) of the Generic Record must equal the DCN of the
         federal Tax Form.

      o The DCN (SEQ 020) of the Generic Record must equal the DCN
         (SEQ 020) of the Unformatted Record.

0405 o Each Form W-2 associated with a State Record must contain a valid
         State Abbreviation in State Name (SEQ 370, 440) when there is a
         significant entry in State Income Tax (SEQ 400, 470).

 .11   State Records (continued)

0406 o   An "out of service center" District Office (DO) is permitted when
         State Data is present; or when Processing Site equals "C"
         (Andover) and at least one of the following is present: Form 2555,
         Form 2555-EZ, Form 4563, Form 5074, Form 8689, an Address Ind
         (SEQ 097) of the Tax Form equal to "3"; a State Abbreviation
         (SEQ 087) of the Tax Form equal to "AS", "GU", "MP", "PR", or
         "VI".

0407 o   The Return Seq Number (RSN) (SEQ 023) of the Generic Record must
         equal the RSN of the Federal Tax Form.

0408 o   When On-Line-State-Return (SEQ 049) of the Generic Record is equal
         to "O", the Transmission Type Code
         (SEQ 170) of the TRANS Record A (TRANA) must equal "O", and vice
         versa.

**0410 o   If the RTN is present, it must be present on the Financial |
         Organization Master File (FOMF). |**

**0419 o   If Address Ind (SEQ 0097) on the Tax Return is equal to "3" |
         (indicating a foreign country), then the following fields must be |
         present: Name Line (SEQ 0060), Foreign Street Address (SEQ 0077), |
         Foreign City, State or Province, Postal Code (SEQ 0087), and |
         Foreign Country (SEQ 0098); and the following fields cannot be |
         present: Name Line 2 (SEQ 0065), Street Address (SEQ 0080), City |
         (SEQ 0085), State Abbreviation (SEQ 0095) and Zip Code (SEQ 0100). |**

**   o   If Address Ind (SEQ 0097) on the Tax Return is not equal to "3", |
         then the following fields cannot be present: Name Line (SEQ 0060), |
         Foreign Street Address (SEQ 0077), Foreign City, State or |
         Province, Postal Code (SEQ 0087), and Foreign Country (SEQ 0098). |**

**0421 o   The Secondary SSN (SEQ 0055) must match the Secondary SSN (SEQ |
         0030) of Form 1040. |**

 .12. Summary Record

0027 o   Electronic Return Originator Name (SEQ 010) must be significant.

     o   Electronic EFIN of ERO (SEQ 020) must be significant and equal to
         EFIN of Originator (SEQ 008b) of Tax Return Record Identification
         Page 1.

0151 o   Number of Logical Records in Tax Return (SEQ 040) must equal the
         total logical record count computed by the IRS.

0152 o   Number of Forms W-2 (SEQ 050) must equal the number of Forms W-2
         computed by the IRS.

 .12. **Summary Record (continued)**

0153 o Number of Forms W-2G (SEQ 060) must equal the number of Forms W-2G
        computed by the IRS.

0154 o Number of Forms 1099-R (SEQ 070) must equal the number of
        Forms 1099-R computed by the IRS.

0155 o Number of Schedule Records (SEQ 080) must equal the number of
        schedule records computed by the IRS.

0156 o Number of Form Records (SEQ 090) must equal the number of form
        records computed by the IRS.

0157 o Number of Statement Record Lines (SEQ 100) must equal the number
        of statement record lines computed by the IRS.

0160 o Number of Forms 1099-G Records (SEQ 0065) must equal the number of |
        Forms 1099-G computed by the IRS. |

0416 o Number of FEC Records (SEQ 0075) must equal the number of FEC |
        Records computed by the IRS. |

0438 o For On-Line Returns, the IP Address (SEQ 190) must be present and
        must contain at least one period and cannot contain alpha
        characters.

0490 o If Year of the Electronic Postmark Date (SEQ 260) is present, Year
        of Electronic Postmark Date must equal the current processing year.

0491 o If one of the three fields is present, then all of the following
        fields must be present: Electronic Postmark Date (SEQ 260),
        Electronic Postmark Time (SEQ 270), Electronic Postmark Time Zone
        (SEQ 280).

0493 o Software Identification Number (SEQ 230) must be present.

0685 o Number of Preparer Note Records (SEQ 110) must equal the number of
        preparer notes computed by the IRS.

0686 o Number of Election Explanation Records (SEQ 120) must equal the
        number of election explanations computed by the IRS.

0687 o Number of Regulatory Explanation Records (SEQ 130) must equal the
        number of regulatory explanations computed by the IRS.

0688 o Count of Authentication Record (SEQ 140) must equal the count of
        authentication record computed by the IRS.

1046 o Number of Forms W-2GU Records (SEQ 0063) must equal the number of |
        Forms W-2GU computed by the IRS. |

1063 o Number of STCGL Records (SEQ 133) must equal the number of STCGL |
        Records computed by the IRS. |

1064 o Number of LTCGL Records (SEQ 135) must equal the number of LTCGL |
        Records computed by the IRS. |

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Section 12 - Federal/State Electronic Filing Specifications

.01 What Is Federal/State Electronic Filing

Federal/State Electronic Filing is a cooperative one-stop filing program between IRS and state tax administration agencies. This program allows the filing of both federal and state income tax returns through the IRS Electronic Filing System. This effort represents one of the Service's programs in support of burden reduction for the tax preparation community and the taxpayers they represent.

The IRS will function strictly as a "data conduit" for electronic state returns. The term "data conduit" defines a strictly controlled process to receive, temporarily store, and then provide correctly formatted state data to the state tax administration agency.

.02 Federal/State Filing - Participating States

Thirty-seven states and the District of Columbia will participate in Tax Year **2002** Federal/State *e-file* Program. |

Each state will issue its own publications to detail the state's software specifications and testing requirements. Software developers will need to contact the appropriate state to obtain electronic filing publications. A roster of state electronic filing coordinators is included in item .12 of Section 12. Updated rosters of state coordinators will be available in the IRS Home Page and on the IRS Centralized Bulletin Board. Most states will place their specifications in the IRS Centralized Bulletin Board, Federal/State Library.

If there are any comments or suggestions regarding Part I, Section 12, please forward them to:

            Internal Revenue Service
            Federal/State Filing Program
            Joyce Colbert, **W:CAS:SP:IEF:P,** NCFB C4-245 |
            5000 Ellin Road
            Lanham, MD 20706

            Phone: (202) 283-0266
            Fax: (202) 283-4785

Section 12 - Federal/State Electronic Filing Specifications

.03 What's New for Federal/State Electronic-Filing in 2003? |

There will be two changes implemented in January 2003; Federal/State *e-file* |
Returns with Foreign Addresses and State Only Returns. |

.04 Federal/State *e-file* Returns with Foreign Addresses |

IRS *e-file* will be accepting Federal/State *e-file* returns with Foreign |
Addresses, including the U.S. possessions of American Samoa, Guam, the |
Commonwealth of the Northern Mariana Islands, Puerto Rico, and the U.S. |
Virgin Islands. |

.05 Validation of Federal/State *e-file* returns with Foreign addresses

  1. Addresses from the U.S. possessions will be formatted as U.S. |
      addresses. Addresses from the foreign countries will be formatted |
      using new foreign country address fields. |

  2. All returns with a foreign address will be transmitted where the |
      Federal return is normally transmitted. This will be the Andover node |
      at the Austin Submission Processing Center and acknowledged by the |
      Andover Submission Processing Center and forwarded to the Philadelphia |
      Submission Processing Center for final processing.

  3. The state return would always be transmitted to the center where the |
      federal return is normally sent. |

  4. The following IRS Error Reject Code is used exclusively for errors in |
      the Foreign State return packet. |

        0409   STATE RECORD

        State Record – If Address Indicator (SEQ 0097) on the Tax Return is |
        equal to "3" (indicating a foreign country), then the following |
        fields must be present: Name Line (SEQ 0060), Foreign Street Address |
        SEQ 0077), Foreign City, State or Province, Postal Code (SEQ 0087), |
        and Foreign Country (SEQ 0098); and the following fields cannot be |
        present: Name Line 2 (SEQ 0065), Street Address (SEQ 0080), City (SEQ |
        0085), State Abbreviation (SEQ 0095) and Zip Code (SEQ 0100). |

        If Address Indicator (SEQ 0097) on the Tax Return is not equal to "3", |
        then the following fields cannot be present: Name Line (SEQ 0060), |
        Foreign Street Address (SEQ 0077), Foreign City, State or Province, |
        Postal Code (SEQ 0087), and Foreign Country (SEQ 0098). |

Section 12 - Federal/State Electronic Filing Specifications

.06 State Only Filing

State Only will be implemented in January 2003. Any Federal/State e-file participant has the option of participating in State Only filing. Taxpayers will have the choice of filing a State Return without the standard Form 1040 attached for the following instances:

- Previously rejected state *e-file* return
- State return input separately from Federal return
- Part-year resident state return
- Multiple state returns for one taxpayer
- Non-resident state returns
- Married filing separately with state, but filing jointly with Federal return

.07 Validation of State Only Returns

1. State-Only return data will contain a Form 1040, page one record, state return packet, and a Summary record. The State Abbreviation of the Form 1040 (Seq #0087) must contain the value "SO", indicating that: (1) State-Only return data is attached, (2) State-Only processing will be performed, and (3) Form 1040, page two and foreign 1040 processing will be bypassed.

2. The State Only return should always be transmitted to the Center that supports that particular state.

3. If the State Abbreviation of the Form 1040 (Seq #0087) equals "SO", the highest Seq number present on the Form 1040, page one will be Seq #0095.

4. The Primary SSN of the State-Only 1040 record (Seq #0010) must equal the SSN of the attached State generic record and the Taxpayer Identification Number of the Summary record (Seq #0002).

5. The Secondary SSN of the State-Only 1040 record (Seq #0030) must equal the Spouse's SSN of the attached State generic record.

6. The Primary SSN (Seq #0010) and Primary Name Control (Seq #0050) of State-Only 1040 record must match data from the IRS Master File.

7. The Secondary SSN (Seq #0030) and Secondary Name Control (Seq #0055) of State-Only 1040 record must match data from the IRS Master File.

8. The RECAP Record will contain a new count for the total number of State-Only returns (Seq #0130).

9. If there is an entry in the State Direct Deposit/Direct Debit Section the IRS will verify the state Routing Transit Number (RTN). If the state RTN is not listed on the current Financial Organization Master File (FOMF) an indicator will be set for the state's future use. The return will not be rejected.

10. A new count of accepted State Only returns must be provided in the RECAP record (Seq #0135).

.07 Validation of State Only Returns (continued)

11. State Only returns will be included in the YR-TO-DATE-COUNT Record |
    (Seq 0270) of the STCAP record. |

12. The following IRS Error Reject Codes are used exclusively for errors in |
    the State Only return packet. |

      0040   FORM 1040 |

    If the State Abbreviation (SEQ 0087) is equal to "SO", then the highest |
    Seq number present cannot be greater than the Zip Code (SEQ 0095). |

      0042   STATE ONLY RETURNS |

    Only the following must be present: Form 1040 Page 1, State Generic |
    Record, at least one Unformatted Record and a Summary Record. |

      0421   STATE RECORD |

    State Only Returns – The Secondary SSN (SEQ 0055) must match the |
    Secondary SSN (SEQ 0030) of Form 1040. |

      0399   STATE RECORD |

    State Only Returns – The Primary SSN (SEQ 0010) must match the Primary |
    SSN (SEQ 0010) of Form 1040. |

      0516   STATE RECORD |

    Primary SSN (SEQ 0010) and the Primary Name Control (SEQ 0050) of the |
    State-Only 1040 Return must match data from the IRS Master File. |

      0517   STATE RECORD |

    Secondary SSN (SEQ 0030) and the Secondary Name Control (SEQ 0055) of |
    the State-Only 1040 Return must match data from the IRS Master File. |

      0832   RECAP RECORD |

    Total State Only Return Count (SEQ 0130) does not equal program |
    computed count. Total State only Return Count is a count of State Only |
    Returns transmitted and is incremented each time the Primary SSN within |
    a Record ID changes. |

Section 12 - Federal/State Electronic Filing Specifications

.08 Data Communications

All *e-file* returns will be transmitted to two transmission centers, Austin
Submission Processing Center and Tennessee Computing Center. The data |
communications procedures described in Section 1 will be the same for
transmitting Federal/State electronic returns as for transmitting federal
electronic returns. Federal/State electronic returns are to be transmitted
based on the following state home center relationship:

Home Service Center	Transmit Site	States Supported
Andover	Austin	CT DC DE MD NJ NY PA RI VA VT
Austin	Austin	IA IL KS MO NM OK WI
Cincinnati	Tennessee	IN KY MI OH SC WV
Memphis	Tennessee	AL AR GA LA MS NC
Ogden	Austin	AZ CO HI ID MT ND NE OR UT

NOTE: IRS will restrict electronic filers to sending state returns as
specified above or the Federal/State return will be rejected. For example,
if a filer in North Carolina sends a South Carolina return to any service
center other than Cincinnati, the home center, the return will be rejected
The North Carolina filer must request, through a revised application, that
their EFIN be accepted at the Cincinnati **Submission Processing** Center **(CSPC)** |
in order to transmit a South Carolina return to CSPC. States may have
additional restrictions.

IRS will reject Federal/State returns that are not submitted to the correct
home service center. The correct home **Submission Processing** Center is always |
the center supporting the state of the taxpayer's residence. In other words,
if it is a Federal/State electronic return, always transmit it to the home
Submission Processing Center that supports the state. If it is a federal |
return only, always transmit it to your supporting home service center.

EXCEPTION: All returns with a foreign address will be transmitted where the |
Federal return is normally transmitted. This will be the Andover node at the |
Austin Submission Processing Center and acknowledged by the Andover Submission |
Processing Center and forwarded to the Philadelphia Submission Processing |
Center for final processing. |

Section 12 - Federal/State Electronic Filing Specifications

.09   Record Format General Description

The fifth series of federal records (after return, schedule, forms, and statement
records) are the electronic state records. There are two different electronic
state records, the "generic" and the "unformatted". A combination of these
records make up the state return packet. The IRS record layouts for the generic
and unformatted records are specified in the Part II Record Layouts.

The state records should be formatted following IRS and state specifications.
All the tax information that the state requires is included in the state packet.
The IRS does not augment the state packet in any way. The state records are
considered logical records and all the specifications provided in Section 2 apply
except for the following:

1.   The counts entered in Number of Logical Records in Tax Return (SEQ 040) and
     Number of Form Records (SEQ 090) of the Summary Record must include a count
     for each state packet.

2.   Increase the counts in Number of Logical Records in Tax Return (SEQ 040) and
     Number of Form Records (SEQ 090) by "1" for each state packet, whether there
     are one or ten records in the state packet. The IRS will reject the return
     if these counts are not accurate.

.10   File Format General Description

The Federal/State electronic filing process requires that participating
electronic filers comply with the following file specifications:

1. A state packet cannot be filed without the associated federal return.
    The IRS will not accept more than one state packet per electronic
    return. The state packet can be associated with a federal refund,
    zero-balance or balance due return.

2. The state packet must be placed after the federal statement records
    and before the preparer notes record. Any other order will cause
    return rejection.

Section 12 - Federal/State Electronic Filing Specifications

.11 File Format Fixed and Variable Length Options

Electronic filers can transmit Federal/State returns using the fixed or variable length options described in Section 2. State records transmitted to IRS using the variable format option are expanded by IRS into fixed format before the records are provided to the state. Some states require copies of the federal return within the unformatted state records. Since IRS expands these records to fixed format before they are provided to the state, in order for states to receive a "variable" format within the fixed format the following specifications apply to state records:

 1. No data field in any state record should contain the following stream of characters or the return will be rejected by the Data Communications Subsystem:

     ****TRANA, ****TRANB, ****1040 PG01, ****RECAP, ****SUM.

 2. State records must not contain the following data characters: "[" "]" "#" "*" within the state's variable format. These are reserved by the IRS for use as delimiters.

 3. The following delimiters must be used to transmit the unformatted state records as variable to the state:
         "{" instead of "[" and
         "}" instead of "]" and
         "$" instead of "#" and
         "!" instead of "*".

     The hexadecimal representations of these characters are:

Symbol	ASCII Hex		Symbol	ASCII Hex
[	5B		}	7B
]	5D		}	7D
#	23		$	24
*	2A		!	21

 4. The IRS Record Layouts for generic and unformatted records contain the only valid Field Seq Numbers for IRS processing. Any Seq Number transmitted that is not listed, or any Seq Number transmitted that duplicates a prior Seq Number will cause rejection.

Section 12 - Federal/State Electronic Filing Specifications

.12 Types of Characters

The character specifications provided in Section 5 for ALPHA, NUMERIC, and ALPHANUMERIC apply to state records. The section "Special Cases for Special Characters" does not apply to state records. For example, each state may have requirements which are different from IRS requirements for formatting the taxpayer's name and address.

.13 Acknowledgment File

Each file of electronic returns transmitted by an electronic filer will normally be acknowledged within forty-eight hours of receipt and, if the Federal/State return is accepted, the state packet will be available for state retrieval within twenty-four hours of IRS acknowledgment.

The ACK Key Record received by the transmitters will contain a State Packet Code. This code indicates whether a state packet was filed in conjunction with the accepted or rejected federal return. IRS acceptance of the federal return and receipt of the state packet **does not imply state acknowledgment or acceptance of the state tax return**.

The State Packet Code in the ACK Key Record will be blank if there is no state packet associated with the federal return, or will consist of the two character state abbreviation contained in the State Code field of the generic record. This is the only field in the ACK Key Record that is changed due to the presence of a state return packet. The Expected Refund or Balance Due field, the Duplicate Code field, and EFT Code field refer only to the federal return.

The state records are identified in the ACK Error Record by the Form Record Id Type ("STbbbb"),and Form Number ("0001bb" or "0002bb") Page Number and Form/Schedule Number.

Once a state packet is available for state retrieval, filers need to contact the respective state to resolve taxpayer problems. Error resolution for state returns is the responsibility of the state tax administration agency. The IRS will purge state packets thirty days from IRS acknowledgment of federal return acceptance. Electronic filers must contact the states to obtain state acknowledgment of state return receipt.

Section 12 - Federal/State Electronic Filing Specifications

.14 Record Format Fixed and Variable Examples

There are two different electronic state records, the "generic" and the "unformatted". A combination of these records make up the state packet.

1. Example of a variable Generic Record:

```
---------1---------2---------3---------4---------5---------6
12345678901234567890123456789012345678901234567890123456789 0

0276****ST    0001  PG01 123456789 0000001[0010]SC[0020]00570321
000116[0060]JANE TEST  DOE NOW 35 CHARACTERS R[0075]3440
LITTLE RANC H RD    NOW 35 CHAR[085]LADSON  NOW 22 CHAR
AC[0095]SC[0100]294566666666[0110]00018[0150]1[0155]01[0195]411
2[0200]3400[0310]10308V[0525]185[0550]185[0580]185[0650]B#
```

2. Example of a variable Unformatted Record that contains a "variable" federal record:

```
---------1---------2---------3---------4---------5---------6
12345678901234567890123456789012345678901234567890123456789 0

1004****ST    0002  PG02 123456789 0000001[0010]SC[0020]00570321
117551[0050]0318!!!!FRM  W2   PG01 123456789 0000001{0030}PAT
RICKCHILDS DBA LOW COUNTRY{0040}100 LIBERTY HALL R[00
55]D SUITE 102{0050}GOOSE CREEK SC 29445{0060}400006745{00
70}400002047{0090}400005100{0200}490{0210}36[0060]54{0220}227
{0230}3654{0245}3654{0255}53{0310}DOE   JANETEST {0320}3440
LITTLE RAN[0065]CH RD{0330}LADSON SC 29456{0380}171{0390}
3654{0400}SC{0500}S$02[0070]82[0105]S$#
```

.15   STCAP Record Layout

Field Identification	Length		Field Description
Start-Record-Sentinel	4	A	Value "****".
0000 Record-Name	5	A	Value "STCAP"
0010 Filler	1	AN	Value Blank
0020 Total-Records	10	N	Value numeric
0030 Filler	1	AN	Value Blank
0040 Total-Generic	8	N	Value numeric
0050 Filler	1	AN	Value Blank
0060 Total-Unformatted	8	N	Value numeric
0070 PATS-Indicator	1	A	Value "P" if PATS data Blank if live data
0080 Filler	1	AN	Value Blank
0090 Process Date	8	N	IRS Accept Date {YYYYMMDD}
SRS-Use-Fields			Reserved for SRS Use
0100 SRS-State-SRIN	5	N	St Retrieval SRIN
0110 Filler	1	A	Value Blank
0120 SRS-State-*file*-Name	12	A	State Abbr. followed by Seq Number followed by .gz
0130 Filler	6	A	Value Blank
0140 Drain-Total-Returns	8	N	Value numeric
0150 Filler	1	AN	Value Blank
0160 Drain-Tot-Return-Accp	8	N	Value numeric
0170 Filler	1	AN	Value Blank
0180 Drain-Tot-Record-Accp	10	N	Value numeric
0190 Filler	1	AN	Value Blank
0200 Drain-Total-Return-Rej	8	N	Value numeric
0210 Filler	2	AN	Value Blank
0220 SRS-Hash-SSNS	14	N	Numeric
0230 SRS-File-Number	3	N	Numeric
0240 SRS-File-Total	3	N	Numeric
0250 PDATE	8	N	Numeric (yyyymmdd)
0260 PTIME	4	N	Numeric (HHMM)
0270 YR-TO-DATE-COUNT	10	N	Numeric
Record-Terminus	1	A	Value #.

Section 12 - Federal/State Electronic Filing Specifications

.16 Validation of State Packet Rejection General Conditions

In most error conditions, existing Error Reject Codes will be used. The Error Reject Codes are cross referenced in Attachment 1 of this publication.

Section 12 - Federal/State Electronic Filing Specifications

.17 Validation of State Records

Most standard reject conditions for state records are listed in the preceding section. Additionally, filers must follow these specifications or the state record(s) could be rejected.

1. The state packet consists of the state generic record followed by all associated unformatted records for the taxpayer. A maximum of one state generic record, and zero to nine unformatted records can be contained in a packet. Only one state packet is allowed per federal return.

2. A generic record must be present in each state packet. Only one generic record is allowed per state packet. The generic record must precede any unformatted records for that tax return.

3. An unformatted record is not required; however, up to nine unformatted records are allowed per state return packet. If more than nine are present, the entire return is rejected with Error Reject Code 0045. |

4. The Header Section in the generic and unformatted records (SEQ 000 through SEQ 020) must be present.

5. The Record ID's in both the generic and unformatted records are checked for consistency. If inconsistent, the record is rejected. The Record ID consists of 26 characters, broken down as follows:

```
Record ID Type                 6    (Both Records "STbbbb")
Form Number                    6    (Generic Record "0001bb"
                                    Unformatted Record "0002bb")
Page Number                    5    (Both Records"PG01b")
Taxpayer Identification Number 9    N (Primary SSN)
Filler                         1    blank
Form/Schedule Number           7    N (Generic"0000001"
                                    Unformatted "0000001 to "0000009")
```

6. The State Code represents the taxpayer's residence state. The taxpayer's residence state may be different than the state of the taxpayer's address. State return packets are distributed to states based on the state code in the generic record. The state code must be a valid Federal/State Electronic Filing state. Valid states in Tax Year 2002 are: |

Alabama.........AL	Kansas..........KS	New York........NY
Arkansas........AR	Kentucky........KY	North Carolina..NC
Arizona.........AZ	Louisiana.......LA	Ohio............OH
Colorado........CO	Maryland........MD	Oklahoma........OK
Connecticut.....CT	Michigan........MI	Oregon..........OR
Washington DC...DC	Mississippi.....MS	Pennsylvania....PA
Delaware........DE	Missouri........MO	Rhode Island....RI
Hawaii...... ...HI	Montana.........MT	South Carolina..SC
Georgia.........GA	North Dakota....ND	Utah............UT
Idaho...........ID	Nebraska........NE	Vermont........VT
Illinois........IL	New Jersey......NJ	Virginia........VA
Indiana.........IN	New Mexico......NM	West Virginia...WV
Iowa............IA		Wisconsin.......WI

The state code must be consistent throughout the generic record and all associated unformatted records for the taxpayer.

.17   Validation of State Records (continued)

7. The State Direct Deposit/Direct Debit Section should be blank if there is
    no direct deposit or direct debit at the state level. There is no
    connection between the federal and state direct deposit or direct debit
    fields since these can differ. Taxpayers may elect to have the federal
    and state direct deposit or direct debits in the same account, or they can
    chose different accounts.

8. If there is an entry in the State Direct Deposit/Direct Debit Section the
    IRS will verify the state Routing Transit Number (RTN). If the state RTN
    is not listed on the current Financial Organization Master File (FOMF) an
    indicator will be set for the state's future use. The return will not be
    rejected.

9. The following Entity Section fields of the generic record must be
    significant or the returns will be rejected by the IRS: Name Line 1
    (SEQ 060), Address Line 1 (SEQ 075), City (SEQ 085), State Abbreviation
    (SEQ 095), and Zip Code (SEQ 100).

10. Entries in the Consistency Section of the generic record, when not blank,
    must correspond to the same entries on the federal return. If an entry is
    significant (i.e., not blank), it will be compared to the federal return.
    If a Consistency Section entry does not match the corresponding federal
    entry, the return will be rejected.

    To the extent possible, the Sequence Numbers for Forms 1040, 1040A,
    and 1040EZ are the same for the equivalent fields. If no Sequence Number
    is given, the field does not exist for that form.

Generic Record Consistency Section		1040	1040A	1040EZ
		----Sequence Number----		
150	Federal Filing Status----------------	130	130	(See note)
155	Total Federal Exemptions-------------	360	360	(See note)
160	Wages, Salaries, Tips----------------	375	375	375
165	Taxable Interest---------------------	380	380	380
170	Tax Exempt Interest------------------	385	385	385
175	Dividends----------------------------	39**4**	39**4**	
180	State/Local Income Tax Refund--------	420		
185	Taxable Social Security Benefits-----	557	557	
190	Keogh Plan and SEP Deductions--------	650		
195	Adjusted Gross Income----------------	750	750	750
200	Standard/Itemized Deductions---------	789	789	
205	Earned Income Credit----------------	1180	1180	1180

    Note: The Generic Record Federal Filing Status (SEQ 150) and the Total
    Federal Exemptions (SEQ 155) can contain an entry when the corresponding
    federal form is a Form 1040EZ and IRS will not reject the Federal/State
    return.

.17   Validation of State Records (continued)

11.   The numeric fields (SEQ 360 - SEQ 675), if not blank, will be checked
       for format.

12.   The IRS will check the Declaration Control Number (DCN) in the federal
       Form 1040, 1040A, or 1040EZ against the Declaration Control Number
       (SEQ 020) of the Generic and Unformatted Records and reject both the
       federal and state returns if these are not equal.

13.   The IRS will check the Return Sequence Number (RSN) in the federal
       Form 1040, 1040A, or 1040EZ against the Return Sequence Number (SEQ 023)
       of the Generic Record and reject both the federal and state returns if
       these are not equal.

14.   The IRS will check all Federal/State returns for the following fields on
       Form(s) W-2: If "State Income Tax 1" (SEQ 400) contains a positive value,
       then "State Name 1" (SEQ 370) should contain a Standard Postal State
       Abbreviation. If "State Income Tax 2" (SEQ 470) contains a positive
       value, then "State Name 2" (SEQ 440) should contain a Standard Postal
       State Abbreviation. If this is not done, both the federal and state
       returns will be rejected with Error Reject Code **0**405. |

15.   If the federal return is an On-Line return, the associated state return
       must also be an On-Line return. IRS will check the On-Line-State-Return
       (SEQ 049) indicator of the state Generic Record. If these do not match,
       the Federal/State return will be rejected.

16.   The following IRS Error Reject Codes are used exclusively for errors in
       the state return packet:

       0009   STATE RECORD |

       The unformatted state record exceeds the maximum length.

       0400   STATE RECORD |

       The Generic Record must be present in the state data packet.

       An Unformatted Record was present without the Generic Record, or the
       Unformatted Record preceded the Generic Record.

       0401   STATE RECORD - STATE CODE (SEQ 010) |

       The State Code (SEQ 010) in the Header Section of the Generic Record
       must be valid for the processing service center.

       The State Code must be consistent throughout Generic and associated
       Unformatted Records for the return.

       0402   STATE RECORD - ENTITY SECTION |

       All "Required Entry" fields in the Entity Section of the Generic Record
       (SEQ 060, 075, 085, 095, 100) must be present.

       0403   STATE RECORD - CONSISTENCY FIELDS |

       Any entry present in the Consistency Section of the Generic Record
       must equal the corresponding federal Tax Form entry.

.17   Validation of State Records (continued)

0404   STATE RECORD - DECLARATION CONTROL NUMBER (DCN) |

The DCN (SEQ 020) of the Generic Record must equal the DCN of the
federal Tax Form.

The DCN (SEQ 020) of the Generic Record must equal the DCN (SEQ 020)
of the Unformatted Record.

0405   STATE RECORD - FORM W-2 CHECK |

Each Form W-2 associated with a State Record must contain a valid State
Abbreviation in State Name (SEQ 370, 440) when there is a significant
entry in State Income Tax (SEQ 400, 470).

0406   STATE RECORD |

An "out of service center" District Office (DO) is permitted when State
Data is present; or when Processing Site equals "C" (Andover) and at
least one of the following is present: Form 2555, Form 2555-EZ,
Form 4563, Form 5074, Form 8689, an Address Ind (SEQ 097) of the Tax
Form equal to "3"; a State Abbreviation (SEQ 087) of the Tax Form equal
to "AS", "GU", "MP", "PR", or "VI".

0407   STATE RECORD - RETURN SEQUENCE NUMBER (RSN) |

The Return Sequence Number (RSN) (SEQ 023) of the Generic Record must
equal the RSN of the Federal Tax Form.

0408   STATE RECORD - ONLINE RETURN INDICATOR |

When On-Line-State-Return (SEQ 049) of the Generic Record is equal to
"O", the Transmission Type Code (Field 15) of the TRANS Record A (TRANA)
must equal "O", and vice versa.

Section 12 - Federal/State Electronic Filing Specifications

.18 State *e-file* Coordinators

Alabama Department of Revenue http://www.ador.state.al.us Buddy Bray, Coordinator Gordon Persons Bldg. Rm 4340 50 N. Ripley St. Montgomery, AL 36104	E-mail: bbray@revenue.state.al.us Telephone (334) 242-1219 Fax: (334) 353-8068
Arizona Department of Revenue http://www.revenue.state.az.us Ed Vaughan, Coordinator 1600 West Monroe Ave. Phoenix, AZ 85007	E-mail: efile@revenue.state.az.us and/or vaughane@revenue.state.az.us Telephone (602) 542-3141 x4390 Fax (602) 542-4254
Arkansas Department of Finance and Administration http://www.state.ar.us/efile Dan Brown, Coordinator (P.O. Box 8110 ZIP 72203-8110) 7th and Wolfe Streets G-34 Little Rock, AR 72201	E-mail: dan.brown@rev.state.ar.us Telephone: (501) 682-7070 Help Desk (501) 682-7925 Fax (501) 682-7393
California Franchise Tax Board http://www.ftb.ca.gov Sean McDaniel, Coordinator Electronic Processing Section MSA-1 Franchise Tax Board P.O. Box 1468 Sacramento, CA 95812	E-mail: efile@ftb.ca.gov Telephone: (916) 845-0353 Fax: (916) 845-0287
Colorado Department of Revenue http://www.revenue.state.co.us Donna Stepan, Coordinator 1375 Sherman St., Rm. 286 Denver, CO 80061	E-mail: dstepan@spike.dor.state.co.us Telephone (303) 866-5581 Fax (303) 866-2833
Connecticut Depart. of Revenue Services http://www.drs.state.ct.us Jason Purslow, Coordinator 25 Sigourney St. Hartford, CT 06106	E-mail: jason.purslow@po.state.ct.us Telephone (860) 297-5979 Fax (860) 297-4757
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District of Columbia http://www.dc.gov Office of Chief Financial Officer Sonja Peterson, Coordinator 941 North Capital St., 6th Floor Washington, DC 20002	E-mail: sonja.peterson@dc.gov Telephone (202) 442-6461 Fax (202) 442-6330
Hawaii Department of Taxation http://www.state.hi.us/tax/tax.html Susan Adaniya, Coordinator P.O. Box 259 Honolulu, HI 96809-0259	E-mail: efile@tax.state.hi.us Telephone: (808) 587-1692 Fax: not available

.18 State *e-file* Coordinators (continued)

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Idaho State Tax Commission http://www.state.id.us Dawn Glazier, Coordinator 800 Park Blvd., Plaza IV Boise, ID 83722-0410	E-mail: dglazier@tax.state.id.us Telephone (208) 334-7822 Fax (208) 334-7650
Illinois Department of Revenue http://www.iltax.com Kevin Richards, Coordinator 101 West Jefferson St., 2-249 Springfield, IL 62702	E-mail: krichards@revenue.state.il.us Help Desk (217) 524-4767 or 4097 Fax (217) 782-7992
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Iowa Department of Revenue and Finance http://www.state.ia.us/government/drf Richard Jacbos, Coordinator 1305 East Walnut, 4th Fl. Des Moines, IA 50319	E-mail: Richard.Jacobs@idrf.state.ia.us Help Desk (515) 242-6359 Fax (515) 242-6040
Kansas Department of Revenue http://www.ksrevenue.org/ecommerce Nancy H. Lewis, Coordinator 915 SW Harrison Topeka, KS 66625-4066	E-mail: Nancy_Lewis@kdor.state.ks.us Telephone (785) 296-4066 Fax (785) 296-0153
Kentucky Revenue Cabinet http://www.revenue.state.ky.us Judy Ritchie, Coordinator 1266 Louisville Rd. Frankfort, KY 40620	E-mail: Judy.Ritchie@mail.state.ky.us Telephone (502) 564-5370 Fax (502) 564-9897
Louisiana Department of Revenue http://www.rev.state.la.us Naomi Foret, Coordinator (P.O. Box 201 Zip 70821-0201) 617 North 3rd St. Baton Rouge, LA 70802	E-mail: nforet@rev.state.la.us Help Desk (225) 219-2490 or 2492 Fax (225) 219-2489
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New Mexico Taxation and Revenue http://www.state.nm.us/tax Paul Mann, Coordinator 1100 S. St. Francis Drive #3040 Santa Fe, NM 87501	E-mail: pmann@state.nm.us Telephone (505) 476-3773 Fax (505) 827-0469

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Pennsylvania Department of Revenue http://www.revenue.state.pa.us Richard Santo, Coordinator Bureau of Individual Taxes 5th Floor Strawberry Square Harrisburg, PA 17128-0605	E-mail: rsanto@state.pa.us E-mail: ncarberry@state.pa.us Help Desk (717) 787-4017 Fax (717) 772-4193
Rhode Island Division of Taxation http://www.doa.state.ri.us/tax Susan Galvin, Coordinator Division of Taxation One Capitol Hill Providence, RI 02908-5800 M. Paola Laorenza, secondary contact	E-mail: galvins@tax.state.ri.us Telephone (401) 222-2263 Fax (401) 222-6288 E-mail: mlaorenz@tax.state.ri.us Telephone: (401) 222-4091 Fax (401) 222-6288

.18 **State *e-file* Coordinators** (continued)

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Utah State Tax Commission http://txdtm01.tax.ex.state.ut.us Douglas D. Hansen, Coordinator 210 North 1950 West Salt Lake City, UT 84134	E-mail: ddhanse@utah.gov Telephone (801) 297-7575 Fax (801) 297-7698
Vermont Department of Taxes http://www.state.vt.us/tax/index.htm Lynda C. Bullard, Coordinator 109 State Street Montpelier, VT 05609-1401	E-mail: lbullard@tax.state Telephone: (802) 828-3758 Fax: (802) 828-3754
Virginia Department of Taxation http://www.tax.state.va.us Kerry Williams, Coordinator (P.O. Box 27423 Zip 23261-7423) 2220 West Broad Street Richmond, VA 23220	E-mail: Elfcoorinator@tax.state.va.us Telephone (804) 367-6100 Fax (804) 367-0224
West Virginia State Tax Department http://www.state.wv.us/taxrev Jeff Anderson, Coordinator (P.O. Box 2222 Zip 25328) 1001 Lee Street Charleston, WV 25301	E-mail: janderson@tax.state.wv.us Help Desk (304) 558-8655 Fax (304) 558-1991
Wisconsin Department of Revenue http://dor.state.wi.us Marcia Gray, Coordinator (P.O. Box 8977, Zip 53708) 2135 Rimrock Road Madison, WI 53713	E-mail: Marcia.Gray@dor.state.wi.us Telephone (608) 264-6886 Fax (608) 264-6884

<u>**Section 13 — Electronic Signatures Specifications**</u>

IRS has two electronic signatures available for taxpayers to sign their tax returns, the Self-Select PIN and Practitioner PIN.

01.   <u>What is the Practitioner PIN?</u>

The Practitioner PIN is another electronic signature method for taxpayers to *e-file* using a five digit PIN. The taxpayer chooses any five digits, except ALL zeros, as their PIN signature and must use an Electronic Return Originator (ERO) to *e-file* under this method.

NOTE: Date of Birth and Prior Year Adjusted Gross Income is not required.

The Practitioner PIN offers another signature option as well for EROs to use in preparing and transmitting Forms 1040/A/EZ to IRS. This method is totally paperless and eliminates the Form 8453 in most cases.

See Questions and Answers for the Practitioner PIN at the end of this Section.

Questions or comments regarding the Practitioner PIN should be sent to:
Internal Revenue Service
Helen Hill, W:CAS:SP:IEF:P
5000 Ellin RD
Lanham, MD 20706

Section 13 – Electronic Signatures Specifications

02.   Taxpayer Eligibility Requirements for Self-Select PIN

The following taxpayers **are eligible** to participate:

- Taxpayers who filed Form 1040, 1040A, 1040EZ, or Telefile
  for Tax Year **2001**
- Taxpayers who filed 1040PR for Tax Year 2001, who are eligible
  to file Form 1040 in Tax Year 2002
- Taxpayers who did not have a requirement to file for Tax Year **2001**,
  but have filed previously
- Taxpayers who are sixteen or older on or before December 31, **2002**
- **Taxpayers, under the age sixteen, filing as primary taxpayers, who
  have filed previously**
- **Taxpayers, under the age sixteen, filing as secondary taxpayers
  (Spouse), who filed in the immediate prior year**
- Military personnel residing overseas with APO/FPO addresses
- Taxpayers residing in the American possessions of the Virgin Islands,
  Puerto Rico, American Samoa, Guam and the Northern Marianas, or with
  foreign country addresses
- **Decedents returns**

The following taxpayers **are NOT** eligible to participate:

- **Primary** taxpayers under the age of sixteen **that has never filed before**
- **Secondary taxpayers under the age sixteen that did not file a tax
  return in the immediate prior year**
- Taxpayers required to file a Form 8283 (Non-Cash Charitable
  Contribution) **if using Section B,** Form 8332 (Release of Claim to
  Exemption for Children of Divorced or Separated Parents)**, Form 3115,
  Application for Change in Accounting Method; Form 5713, International
  Boycott Report; or Form 8609, Low-Income Housing Credit Allocation
  Certification.** These forms need to be attached to a Form 8453 or
  Form 8453-OL.

03.   What is the Self-Select PIN?

The Self-Select PIN is any five numbers (except ALL zeros) the taxpayer
chooses to enter as their electronic signature. A PIN is needed for each
taxpayer if filing a joint return, and each can choose any five numbers.
If the taxpayer is filing through an Electronic Return Originator (ERO),
the taxpayer Date of Birth and Prior Year Adjusted Gross Income (AGI) from
the original return must also be entered for authentication.

Questions or comments regarding Section 13 (except Signature Authorization)
should be sent to:

Internal Revenue Service
Teara Mitchell, **W:CAS:SP:IEF:P,** NCFB **C4-262** |
5000 Ellin Rd.
Lanham, MD 20706
Phone: (202) 283-**0226**   ` |

Questions or comments regarding IRS *e-file* Signature Worksheets,
Jurat/Disclosure Version should be sent to:

Internal Revenue Service
Carol Brauzer, **W:CAS:SP:IEF:R,** NCFB C5-121 |
5000 Ellin Road
Lanham, MD 20706
Phone: (202) 283-7842

Section 13 – Electronic Signatures Specifications |

.04   Data Validation

The following fields must be present for the taxpayer when using the
Self-Select PIN for *e-file*:

Primary:

    Social Security Number
    Name Control
    Date of Birth

From Tax Year **2001** return, taxpayer's original submission prior to any |
adjustment:
    Adjusted Gross Income (AGI)

If Married Filing Joint:

    Spouse Social Security Number
    Spouse Name Control
    Spouse Date of Birth

From Tax Year **2001** return, taxpayer's original submission prior to any |
adjustment:
    Spouse Adjusted Gross Income (AGI)

If taxpayers filed a joint return in Tax Year 2001 and want to file
separate returns for Tax Year 2002, they will both enter the same AGI from
the 2001 joint return on their separate returns for Tax Year **2002**. |

If taxpayers **did not** file jointly **in Tax Year 2001**, they are required to |
provide their respective AGI amount.

If a return was not filed in Tax Year **2001**, then the AGI Field is zero |
filled.

If taxpayers filed Form 1040PR in Tax Year **2001**, then the AGI field is zero. |

> **Note:** Taxpayers filing their **2001** tax return after November 16, **2002** |
> are eligible to use the Self-Select PIN for *e-file*. These taxpayers
> will need to submit zeroes for their Adjusted Gross Income. In the
> event their return is rejected due to a mismatch of AGI, they can
> resubmit their return using their actual values. The extract creating
> the Self-Select PIN eligibles is being created in November and due to
> processing constraints, late filers may or may not be included. Late
> filers can still use the Self-Select PIN.

Validation of Data:

Adjusted Gross Income	The AGI is entered in whole dollar amounts. There will be a one dollar tolerance level.

04.   Data Validation (continued)

Date of Birth   An exact match on day, month and year against Social
                     Security Administration records is required for all
                     on-line returns with or without the Self-Select PIN
                     usage. If a married filing joint (MFJ) return is filed
                     through a practitioner electronically and taxpayer(s)
                     uses the Self-Select PIN(s) to sign their return, the
                     primary and secondary taxpayer's date of birth are
                     required. However, their tax return will not reject
                     if the Dates of Birth do not match. The Date of Birth
                     Validity Code (Field 0117) will be present in the
                     Acknowledgement Record. The Date of Birth Validity
                     Code identifies whether validation of the Date of
                     Birth (DOB) is required and if the DOB is required,
                     whether the DOB matched on the IRS File or not.

PIN   The Personal Identification Number (PIN) is self-selected
                     by the taxpayer. A PIN is required for the primary and
                     secondary taxpayer. PIN is composed of 5 digits. All
                     zeroes are not permitted. The spouse can use the same
                     PIN as the primary.

.05 IRS *e-file* Signature Authorizations

   1. Form 8879, IRS *e-file* Signature Authorization, can be used to
       authorize an Electronic Return Originator to enter the taxpayer's
       self-select personal identification number (PIN) as the taxpayer's
       signature on electronically filed Forms 1040/A/EZ income tax
       returns. Form 8879 is provided as a convenience when the taxpayer
       is unavailable or unable to return to the office, or it is
       inconvenient to personally sign the electronically prepared income
       tax return. The practitioner will provide Form 8879 to the
       taxpayer along with a copy of the completed tax return personally
       or by U.S. mail, private delivery service, e-mail, or an Internet
       web site. Upon review of their tax return, the taxpayer(s)
       complete Part II of Form 8879 with their PIN, signature and date.
       The taxpayer must return the form to the ERO either personally, by
       U.S. mail, private delivery service, or FAX transmission. The ERO
       must retain the completed Form 8879 as instructed on the form.

   2. Form 8878, IRS *e-file* Signature Authorization on Application for
       Extension of Time to File, is used for taxpayers to authorize the
       ERO to enter the taxpayer self-select PIN on one of several
       extension of time to file applications processed through Electronic
       Transmitted Documents (ETD) programs. Form 8879 procedures above
       also apply to Form 8878.

   3. When finalized, Forms 8879 and 8878 and instructions for use with
       Tax Year 2002 *e-file* will be available on the IRS web site, The
       Digital Daily, at www.irs.gov (click on "Forms and Pubs", then
       "Forms and Instructions"). Tax year 2002 forms will be posted
       on the web site as soon as possible; however, they may not be
       available at the time this document is published.

    4. Exhibits of Forms 8879 and 8878 will also be included in
       Publication 1345A, Filing Supplement for Electronic Return
       Originators (TY 2002).

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.06   Jurat/Disclosure Guidelines |

1.   **This section provides guidelines for the jurat/disclosure language |
     that is to be included in software packages for electronically filed |
     returns.** |

2.   **In all instances, the appropriate jurat/disclosure text must be |
     provided to taxpayers prior to the presentation of fields used to |
     enter signature(s) (e.g. PIN) and related authentication information |
     (e.g. Date of Birth and Adjusted Gross Income).** |

3.   **On-line software products must provide the capability for taxpayers |
     to view the jurat/disclosure statements on the input screen.** |

4.   **Software products intended for use by tax professionals may also |
     provide functionality to print a graphic equivalent of the |
     jurat/disclosure statements for taxpayers to sign as an alternative to |
     viewing and signing the statement on the input screen. A graphic |
     equivalent may be appropriate when the taxpayer will not be present to |
     review the completed return in the presence of the ERO, and has elected |
     to authorize the ERO to enter the taxpayer(s) Self-Select PIN(s).** |

5.   **The jurat/disclosure text selections are located in Section 13.07 of |
     this document. Samples of the jurat/disclosure versions A-D are |
     included in Section 13.08.** |

6.   **New for Tax Year 2002 – Certain Decedent returns Forms 1040/1040A/1040EZ |
     will be accepted into *e-file*. New text Selection T8 must be included |
     for decedent returns filed with Form 1310, Statement of Person Claiming |
     Refund Due a Deceased Taxpayer. If both taxpayers on a refund return |
     are deceased, a Form 1310 and selection T8 must be completed for each |
     decedent.** |

7.   **Use the guidelines below, and notes on the text selections for jurat |
     entry field format.** |

Field	Length	Characters	Format/Notes
Dates – (e.g. signature dates, Date of Birth)	Eight	All numeric	MMDDYYYY *(must convert to YYYYMMDD for record layouts)*
Taxpayer's PIN	Five	All numeric	Cannot be all zeroes
ERO or Paid Preparer PIN	Eleven	All numeric	First six positions = Electronic Filing Identification Number (EFIN); last five positions = Self-Selected numerics
Money Fields	Twelve maximum	All numeric	Dollars ONLY, zero fill if no prior year AGI

Section 13 – Electronic Signatures Specifications

.06   Jurat/Disclosure Guidelines (continued)

8.   The following table includes the valid Jurat Disclosure Codes for
     electronically filed   Tax Year 2002 Forms 1040/1040A/1040EZ.
     The codes (e.g. P1,C1,T1) in the third column identify the possible
     selections for each jurat version.

9.   Note that Selection D1 is only used when there is an Electronic Funds
     Withdrawal (EFW) and Selection T8 is only required for decedent returns
     when a Form 1310 is attached. Text for these selections should only be
     included when they apply to the taxpayer's filing situation. The text
     for each of these selections is displayed separately and has not been
     included in samples for Jurat/Disclosure Versions A-D, provided.

Tax Year 2002 Jurat Disclosure Codes Form 1040 Series – Forms 1040/1040A/1040EZ			
Jurat/ Disclosure Code	**Title**	**Required Screen/ Graphic Selections**	**Comments**
A	**On-Line Self-Select PIN Form 1040/A/EZ**		**Prepared by:** Taxpayer on personal computer
	● Without electronic funds withdrawal	P1,C1,T1	
NEW!! TY 2002	**If Decedent return with Form 1310 attached, also include….**	**T8**	**Transmitted by:** Intermediate Service Provider (ISP) or transmitter
	● With electronic funds withdrawal	P1,C1,D1, T1	**Signatures:** Taxpayer(s) - Self-Select PIN
B	**Regular On-Line Filing Form 1040/A/EZ**		**Prepared by:** Taxpayer on personal computer
	● Without electronic funds withdrawal	C1,T2	
NEW!! TY 2002	● **If Decedent return with Form 1310 attached, also include….**	**T8**	**Transmitted by:** ISP or transmitter
	● With electronic funds withdrawal	C1,D1,T2	**Signatures:** Form 8453-OL required Taxpayer(s) do not use Self-Select PIN
C	**Self-Select PIN by ERO Form 1040/A/EZ**		**Prepared by:** Preparer/ERO
	● Without electronic funds withdrawal	E1,P1,C1, T1	**Transmitted by:** ERO
NEW!! TY 2002	● **If Decedent return with Form 1310 attached, also include….**	**T8**	**Signatures:** Taxpayer(s) – Self-Select PIN ERO – EFIN/PIN
	● With electronic funds withdrawal	E1,P1,C1, D1,T1	
D	**Practitioner PIN Method Form 1040/A/EZ**		**Prepared by:** Preparer/ERO
	● Without electronic funds withdrawal	E1,P1,C1, T6	**Transmitted by:** ERO
NEW!! TY 2002	● **If Decedent return with Form 1310 attached, also include….**	**T8**	**Signatures:** Taxpayer(s) – Self-Select PIN Paid Preparer's EFIN/PIN
	● With electronic funds withdrawal	E1,P1,C1, D1,T6	NOTE: Form 8879, IRS *e-file* Signature Authorization, Including Part III, is required. Taxpayer prior year return Information and Date of Birth not required.
Blank			Form 8453 is required.

Section 13 – Electronic Signatures Specifications

.07   Jurat Language Text Selections

1.   This section identifies the various Perjury, Consent to Disclosure,
      and Electronic Funds Withdrawal (EFW) text selections (components)
      used to develop jurat language statements for electronic filing tax
      preparation software. The software shall provide the capability to
      incorporate these into the appropriate jurat text for presentation
      to statements taxpayer(s) for their review. Use the table in .06
      above and the displays in this section to determine the appropriate
      components or building blocks to develop jurat statements for
      Form 1040 series returns.

2.   Jurat language and related requirements used only for documents
      submitted the Electronically Transmitted Documents (ETD) system
      through are included in Part III of this document.

Perjury Statement Selections

Selection P1
Perjury Statement – use this selection when electronically filing
Form 1040/A/EZ with Self-Select PIN

Perjury Statement
Under penalties of perjury, I declare that I have examined this return, including
any accompanying statements and schedules and, to the best of my knowledge and
belief, it is true, correct, and complete.

Selection P2 (Reserved)

Selection P3 (ETD only) See Part III of this document

Section 13 – Electronic Signatures Specifications

.07   Jurat Language Text Selections (continued)

.   **Consent to Disclosure Selections**

A Consent to Disclosure is to be included on the screen for all electronically filed returns and documents.

Selection C1
Consent to Disclosure - use this selection for electronically file Form 1040 Series returns

```
Consent to Disclosure
I consent to allow my Intermediate Service Provider, transmitter, or Electronic
Return Originator (ERO) to send my return/form to IRS and to receive the following
information from IRS:  1) acknowledgment of receipt or reason for rejection of
transmission; 2) refund offset; 3) reason for any delay in processing or refund;
and, 4) date of any refund.
```

Selection C2 (ETD only) See Part III of this document

ERO Declaration

Selection E1
ERO Declaration and Signature - use this selection and ERO PIN entry when return is transmitted by an Electronic Return Originator (ERO). For use with Self-Select and Practitioner PIN methods.

```
ERO Declaration
I declare that the information contained in this electronic tax return is the
information furnished to me by the taxpayer.  If the taxpayer furnished me a
completed paper tax return signed by a paid preparer, I declare that the
information contained in this electronic tax return is identical to that contained
in the paper return, and I have entered the paid preparer's identifying
information in the appropriate portion of this electronic return.  If I am the
paid preparer, under the penalties of perjury, I declare that I have examined this
electronic return, and to the best of my knowledge and belief, it is true,
correct, and complete.  This declaration is based on all information of which I
have any knowledge.

ERO Signature
I am signing this Tax Return by entering my PIN below.

ERO's PIN    _ _ _ _ _ _ _ _ _ _
             (enter EFIN plus 5 Self-Selected numerics)
```

Section 13 – Electronic Signatures Specifications

.07   Jurat Language Text Selections (continued)

Electronic Funds Withdrawal Consent Selections

Include an Electronic Funds Withdrawal Consent statement only when taxpayer has selected the Electronic Funds Withdrawal option

Selection D1
Electronic Funds Withdrawal Consent for Forms 1040/A/EZ (Include statement only with Electronic Funds Withdrawal returns)

Electronic Funds Withdrawal Consent

I authorize the U.S. Treasury and its designated Financial Agent to initiate an ACH Electronic Funds Withdrawal (Direct Debit) entry to the financial institution account indicated for payment of my Federal taxes owed on this return and/or a payment of estimated tax. I further understand that this authorization may apply to subsequent Federal tax payments that I direct to be debited through the Electronic Federal Tax Payment System (EFTPS). In order for me to initiate subsequent payments, I request that the IRS send me a personal identification number (PIN) to access EFTPS. This authorization is to remain in full force and effect until I notify the U.S. Treasury Financial Agent to terminate the authorization. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.

Selection D2 (ETD only) See Part III of t*his document*

Selection D3 (ETD only) See Part III of this document

Section 13 – Electronic Signatures Specifications

.07   Jurat Language Text Selections (continued)

Taxpayer Signature Selections

Selection T1
Use this signature selection when filing a Form 1040/1040A/1040EZ and a Self-Select PIN will be used to sign the return

```
I am signing this Tax Return/Form and Electronic Funds Withdrawal Consent, if
applicable, by entering my Self-Select PIN below.
------------------------------------------------------------------------------
Taxpayer's PIN: _ _ _ _ _                            Date:_ _ _ _ _ _ _ _ _
Taxpayer's Date of Birth: _ _ _ _ _ _ _ _
Taxpayer's Prior Year Adjusted Gross Income:  _ _ _ _ _ _ _ _ _ _ _ _
Spouse's PIN: _ _ _ _ _
Spouse's Date of Birth: _ _ _ _ _ _ _ _
Spouse's Prior Year Adjusted Gross Income: _ _ _ _ _ _ _ _ _ _ _ _
```

Selection T2
Use this signature selection when filing a Form 1040/1040A/1040EZ On-Line and using Form 8453-OL to sign the return

```
I am transmitting this Tax Return and signing this Electronic Funds Withdrawal
Consent, if applicable, by entering my Date of Birth below.
------------------------------------------------------------------------------
Taxpayer's Date of Birth (DOB): _ _ _ _ _ _ _ _        Date:_ _ _ _ _ _ _ _
Spouse's Date of Birth:_ _ _ _ _ _ _ _
```

Selection T3 (ETD only) See Part III of this document

Selection T4 (ETD only) See Part III of this document

Section 13 – Electronic Signatures Specifications

.07   Jurat Language Text Selections (continued)

Selection T5 (ETD only) See Part III of this document
Reserved – not available for Tax Year 2002

Selection T6
Use this signature selection for returns filed using the Practitioner PIN method. ERO is required to retain Form 8879, IRS e-file Signature Authorization, that has been signed by the taxpayer(s)

```
I am signing this Tax Return and Electronic Funds Withdrawal Consent, if
applicable, by entering my Self-Select PIN below.
-----------------------------------------------------------------------
Taxpayer's PIN:_ _ _ _ _                              Date_ _ _ _ _ _ _ _
Spouse's PIN:  _ _ _ _ _
```

Selection T7 (ETD only) See Part III of this document

Selection T8 – Decedent Returns only with Form 1310 attached
Use this selection only for Form 1040/1040A/1040EZ Decedent returns that are |
filed with a Form 1310, Statement of Person Claiming Refund Due a Deceased |
Taxpayer. If both taxpayers are shown as decedents on this return, two |
Forms 1310 are required, and T8 information must be completed for each decedent. |

```
Form 1310 Signature and Verification
Completion of this section indicates that I am requesting a refund of taxes   |
overpaid by or on behalf of the decedent.  Under penalties of perjury, I      |
declare that I have examined my Form 1310 claim, and to the best of my        |
knowledge and belief, it is true, correct, and complete.
-----------------------------------------------------------------------------


_____   _ _ _ ___ _ _ _
Signature of person claiming refund (35 character limit)      Date
```

Section 13 – Electronic Signatures Specifications

.08 *e-file* Jurat/Disclosure Text - Codes A-D

Tax Year 2002 Jurat/Disclosure Code A Text
On-Line Self-Select PIN Form 1040/A/EZ

Perjury Statement
Under penalties of perjury, I declare that I have examined this return, including any accompanying statements and schedules and, to the best of my knowledge and belief, it is true, correct, and complete.

Consent to Disclosure
I consent to allow my Intermediate Service Provider, transmitter, or Electronic Return Originator (ERO) to send my return/form to IRS and to receive the following information from IRS: 1) acknowledgment of receipt or reason for rejection of transmission; 2) refund offset; 3) reason for any delay in processing or refund; and, 4) date of any refund.

Additional Statements may be required. See Optional Text Selections for Jurat/Disclosure Codes A – D in this section.

Electronic Funds Withdrawal Consent - returns with Electronic Funds Withdrawal only.

Form 1310 Signature and Verification – Decedent returns with Form 1310 only.

I am signing this Tax Return/Form and Electronic Funds Withdrawal Consent, if applicable, by entering my Self-Select PIN below.

Taxpayer's PIN: _ _ _ _ _   Date:_ _ _ _ _ _ _ _
Taxpayer's Date of Birth: _ _ _ _ _ _ _ _
Taxpayer's Prior Year Adjusted Gross Income:_ _ _ _ _ _ _ _ _ _ _
Spouse's PIN:_ _ _ _ _
Spouse's Date of Birth: _ _ _ _ _ _ _ _
Spouse's Prior Year Adjusted Gross Income:_ _ _ _ _ _ _ _ _ _ _
_____

.08   *e-file* Jurat/Disclosure Text - Codes A–D (continued)

Tax Year 2002 Jurat/Disclosure – Code B Text
Regular On-Line Filing Form 1040/A/EZ
(Taxpayer must file Form 8453-OL)

Consent to Disclosure
I consent to allow my Intermediate Service Provider, transmitter, or Electronic Return Originator (ERO) to send my return/form to IRS and to receive the following information from IRS: 1) acknowledgment of receipt or reason for rejection of transmission; 2) refund offset; 3) reason for any delay in processing or refund; and, 4) date of any refund.

Additional Statements may be required. See Optional Text Selections for Jurat/Disclosure Codes A – D in this section.

Electronic Funds Withdrawal Consent – Returns with Electronic Funds withdrawal only.

Form 1310 Signature and Verification – Decedent returns with Form 1310 only.

I am transmitting this Tax Return and signing this Electronic Funds Withdrawal Consent, if applicable, by entering my Date of Birth below.

Taxpayer's Date of Birth (DOB): _ _ _ _ _ _ _ _ Date:_ _ _ _ _ _ _ _
Spouse's Date of Birth:_ _ _ _ _ _ _ _

.08   *e-file* Jurat/Disclosure Text – Codes A-D (continued)

Tax Year 2002 Jurat/Disclosure – Code C Text
Self-Select PIN by ERO Form 1040/A/EZ

ERO Declaration
I declare that the information contained in this electronic tax return is the
information furnished to me by the taxpayer. If the taxpayer furnished me a
completed paper tax return signed by a paid preparer, I declare that the
information contained in this electronic tax return is identical to that contained
in the paper return, and I have entered the paid preparer's identifying
information in the appropriate portion of this electronic return. If I am the
paid preparer, under the penalties of perjury I declare that I have examined this
electronic return, and to the best of my knowledge and belief, it is true,
correct, and complete. This declaration is based on all information of which I
have any knowledge.

ERO Signature
I am signing this Tax Return by entering my PIN below.

ERO's PIN   _ _ _ _ _ _ _ _ _ _ _
               (enter EFIN plus 5 Self-Selected numerics)

Perjury Statement
Under penalties of perjury, I declare that I have examined this return, including
any accompanying statements and schedules and, to the best of my knowledge and
belief, it is true, correct, and complete.

Consent to Disclosure
I consent to allow my Intermediate Service Provider, transmitter, or Electronic
Return Originator (ERO) to send my return/form to IRS and to receive the following
information from IRS: 1) acknowledgment of receipt or reason for rejection of
transmission; 2) refund offset 3) reason for any delay in processing or refund;
and, 4) date of any refund.

Additional Statements may be required. See Optional Text Selections for
Jurat/Disclosure Codes A – D in this section.

Electronic Funds Withdrawal Consent - returns with Electronic Funds Withdrawal
only.

Form 1310 Signature and Verification – Decedent returns with Form 1310 only.

I am signing this Tax Return and Electronic Funds Withdrawal Consent, if
applicable, by entering my Self-Select PIN below.

Taxpayer's PIN:_ _ _ _ _   Date:_ _ _ _ _ _ _ _ _
Taxpayer's Date of Birth: _ _ _ _ _ _ _ _
Taxpayer's Prior Year Adjusted Gross Income:_ _ _ _ _ _ _ _ _ _ _ _
Spouse's PIN: _ _ _ _ _
Spouse's Date of Birth: _ _ _ _ _ _ _ _
Spouse's Prior Year Adjusted Gross Income: _ _ _ _ _ _ _ _ _ _ _

.08   *e-file* Jurat/Disclosure Text – Code A–D (continued)

Tax Year 2002 Jurat/Disclosure – Code D Text
Practitioner PIN Method Form 1040/A/EZ
Form 8879, IRS *e-file* Signature Authorization required

ERO Declaration
I declare that the information contained in this electronic tax return is the information furnished to me by the taxpayer. If the taxpayer furnished me a completed paper tax return signed by a paid preparer, I declare that the information contained in this electronic tax return is identical to that contained in the paper return, and I have entered the paid preparer's identifying information in the appropriate portion of this electronic return. If I am the paid preparer, under the penalties of perjury, I declare that I have examined this electronic return, and to the best of my knowledge and belief, it is true, correct, and complete. This declaration is based on all information of which I have any knowledge.

ERO Signature
I am signing this Tax Return by entering my PIN below.

ERO's PIN   _ _ _ _ _ _ _ _ _ _ _ _ _
            (enter EFIN plus 5 Self-Selected numerics)

Perjury Statement
Under penalties of perjury, I declare that I have examined this return, including any accompanying statements and schedules and, to the best of my knowledge and belief, it is true, correct, and complete.

Consent to Disclosure
I consent to allow my Intermediate Service Provider, transmitter, or Electronic Return Originator (ERO) to send my return/form to IRS and to receive the following information from IRS: 1) acknowledgment of receipt or reason for rejection of transmission; 2) refund offset; 3) reason for any delay in processing or refund; and, 4) date of any refund.

Additional Statements may be required. See Optional Text Selections for Jurat/Disclosure Codes A – D in this section.

Electronic Funds Withdrawal Consent - returns with Electronic Funds Withdrawal only.

Form 1310 Signature and Verification – Decedent returns with Form 1310 only.

I am signing this Tax Return and Electronic Funds Withdrawal Consent, if applicable, by entering my Self-Select PIN below.

Taxpayer's PIN:_ _ _ _ _   Date: _ _ _ _ _ _ _ _
Spouse's PIN: _ _ _ _ _
_____

.08   *e-file* **Jurat/Disclosure Text – Code A–D (continued)**

Optional Text Selections
Jurat/Disclosure Codes A – D
Tax Year 2002

The following selections are optional for use with Jurat/Disclosure Codes A – D. These statements are only required in situations specified below:

Selection D1
Electronic Funds Withdrawal Consent for Forms 1040/A/EZ (Include statement only with Electronic Funds Withdrawal returns)

Electronic Funds Withdrawal Consent
I authorize the U.S. Treasury and its designated Financial Agent to initiate an ACH Electronic Funds Withdrawal (Direct Debit) entry to the financial institution account indicated for payment of my Federal taxes owed on this return and/or a payment of estimated tax. I further understand that this authorization may apply to subsequent Federal tax payments that I direct to be debited through the Electronic Federal Tax Payment System (EFTPS). In order for me to initiate subsequent payments, I request that the IRS send me a personal identification number (PIN) to access EFTPS. This authorization is to remain in full force and effect until I notify the U.S. Treasury Financial Agent to terminate the authorization. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.

Selection T8 – Decedent Returns only with Form 1310 attached
Use this selection only for Form 1040/1040A/1040EZ Decedent returns that are filed with a Form 1310, Statement of Person Claiming Refund Due a Deceased Taxpayer. If both taxpayers are shown as decedents on the return, two Forms 1310 are required, and T8 must be completed for each decedent.

Form 1310 Signature and Verification
Completion of this section indicates that I am requesting a refund of taxes overpaid by or on behalf of the decedent. Under penalties of perjury, I declare that I have examined my Form 1310 claim, and to the best of my knowledge and belief, it is true, correct, and complete.

_____   _ _ _ _ _ _ _ _
Signature of person claiming refund (35 character limit)   Date

---

09.   Validation of Electronic Signatures for *e-file*

The following Error Reject Codes are used for electronic signatures:

0668 o Self-Select PIN – The Primary Taxpayer is ineligible to
        participate in the Self-Select PIN since the Primary Taxpayer is
        a duplicate on the IRS File.

0669 o Self-Select PIN – The Secondary Taxpayer is ineligible to
        participate in the Self-Select PIN since the Secondary Taxpayer
        is a duplicate on the IRS File.

0670 o Authentication Record – When the PIN Type Code (SEQ 008) is
        equal to "S", then the following fields must be present; Primary
        Date of Birth (SEQ 010), Primary Prior Year Adjusted Gross
        Income (SEQ 020), Primary Taxpayer Signature (SEQ 035), Taxpayer
        Signature Date (SEQ 070), Jurat/Disclosure Code (SEQ 075), PIN
        Authorization Code (SEQ 080) and ERO EFIN/PIN (SEQ 090).

     o **When the Filing Status (SEQ 130) equals "2", AND the Primary** |
        Date of Death (SEQ 020) is significant and the Secondary Date of |
        Death (SEQ 040) on the Tax Return is "NOT" significant, bypass |
        this check. Only the spouse fields are required. |

0671 o Authentication Record – When the PIN Type Code (SEQ 008) is
        equal to "S" and Filing Status (SEQ 130) is "2" (Married Filing
        Jointly), then the following fields must be present; Spouse Date
        of Birth (SEQ 040), Spouse Prior Year Adjusted Gross Income
        (SEQ 050) and Spouse Signature (SEQ 065).

     o **When the Secondary Date of Death (SEQ 040) on the Tax Return is** |
        significant and the Primary Date of Death (SEQ 020) is "NOT" |
        significant, bypass this check. Only the primary fields are |
        required. |

     o **When the Primary Date of Death (SEQ 020) "AND" the Secondary** |
        Date of Death (SEQ 040) are significant on the Tax Return, |
        bypass this check. Only the primary fields are required. |

0672 o Authentication Record – When the PIN Type Code (SEQ 008) is
        equal to "P" or "S", then the ERO EFIN/PIN (SEQ 090) must be
        present.

     o When the PIN Type Code (SEQ 008) is equal to "O", then the ERO
        EFIN/PIN (SEQ 090) cannot be present.

0673 o Authentication Record – For On-Line Returns only, when the PIN
        Type Code (SEQ 008) is blank (No PIN Used), then the
        Jurat/Disclosure Code (SEQ 075) must equal "B".

09. <u>**Validation of Electronic Signatures for *e-file* (continued)**</u>

0674 o Authentication Record – When the PIN Type Code (SEQ 008) is equal to "P", "S" or "O", then Primary Taxpayer Signature (SEQ 1321) on the Tax Return must be five digits and cannot be all zeros.
and
The Primary Taxpayer Signature (SEQ 1321) on the Tax Return must match the Primary Taxpayer Signature (SEQ 035) on the Authentication Record.

   o **When the Filing Status (SEQ 130) equals "2", the Primary Date of** |
   Death (Seq 020) on the Tax Return is significant and the |
   Secondary Date of Death (SEQ 040) is "NOT" significant, bypass |
   this check. Only the spouse fields are required. |

0675 o Authentication Record – When the PIN Type Code (SEQ 008) is equal to "P", "S" or "O" and the Filing Status (SEQ 130) is "2" (Married Filing Jointly), then Spouse Signature (SEQ 1324) on the Tax Return must be five digits and cannot be all zeros.
And
The Spouse Signature (SEQ 1324) on the Tax Return must match the Spouse Signature (SEQ 065) on the Authentication Record.

   o **When the Secondary Date of Death (SEQ 040) on the Tax Return is** |
   significant but the Primary Date of Death (SEQ 020) is "NOT" |
   significant, bypass this check. Only the primary fields are |
   required. |

   o **When the Primary Date of Death (SEQ 020) "AND" the Secondary** |
   Date of Death (SEQ 040) are significant on the Tax Return, |
   bypass this check. Only the primary fields are required. |

0676 o Authentication Record – When the PIN Type Code (SEQ 008) is equal to "P", "S", or "O" and the Filing Status (SEQ 130) is "2" (Married Filing Jointly), then the Primary Taxpayer Signature (SEQ 035) and Spouse Signature (SEQ 065) both must be present.

   o When the PIN Type Code (SEQ 008) is equal to "P", "S" or "O" and the Filing Status is other than "2" (Married Filing Jointly), then the Spouse Signature (SEQ 065) cannot be present.

   o **When the Secondary Date of Death (SEQ 040) on the Tax Return is** |
   significant but the Primary Date of Death (SEQ 020) is "NOT" |
   significant, bypass this check. Only the primary fields are |
   required. |

   o **When the Primary Date of Death (SEQ 020) "AND" the Secondary** |
   Date of Death (SEQ 040) are significant on the Tax Return, |
   bypass this check. Only the primary fields are required. |

   o **When the Filing Status (SEQ 130) equals "2", the Primary Date** |
   of Death (SEQ 020) on the Tax Return is significant and the |
   Secondary Date of Death (SEQ 040) is "NOT" significant, bypass |
   this check. Only the spouse fields are required. |

Section 13 – Electronic Signatures Specifications

09. **Validation of Electronic Signatures for *e-file* (continued)**

0677 o Self-Select PIN – The Primary Taxpayer is ineligible to
participate in the Self-Select PIN method, **if they are under the**
age sixteen and has never filed a tax return.

0678 o Self-Select PIN – The Secondary Taxpayer is ineligible to
participate in the Self-Select PIN method, **if they are under**
under the age sixteen and did not file a tax return in the
previous year.

0679 o Authentication Record – When the PIN TYPE Code (SEQ 008) is
equal to "S" or "O", the Primary Prior Year Adjusted Gross
Income (SEQ 020) must match the Primary Prior Year Adjusted
Gross Income on the IRS Master File.

o **When the Filing Status (SEQ 130) equals "2", the Primary Date**
of Death (Seq 020) on the Tax Return is significant and the
Secondary Date of Death (SEQ 040) is "NOT" significant, bypass
this check. Only the spouse fields are required.

0680 o Authentication Record – When the PIN TYPE Code (SEQ 008) is
equal to "S" or "O" and the Filing Status (SEQ 130) is "2"
(Married Filing Jointly), the Spouse Prior Year Adjusted Gross
Income (SEQ 050) must match the Spouse Prior Year Adjusted Gross
Income on the IRS Master File.

o **When the Filing Status (SEQ 130) on the Tax Return equals "2",**
and the Secondary Date of Death (SEQ 040) is significant, but
the Primary Date of Death (SEQ 020) is "NOT" significant, bypass
this check. Only the primary fields are required.

0681 o Authentication Record – When the PIN Type Code (SEQ 008) is
equal to "O", then the following fields must be present; Primary
Date of Birth (SEQ 010), Primary Prior Year Adjusted Gross
Income (SEQ 020), Primary Taxpayer Signature (SEQ 035), Taxpayer
Signature Date (SEQ 070), Jurat/Disclosure Code (SEQ 075) and
PIN Authorization Code (SEQ 080).

o **When the Filing Status (SEQ 130) equals "2", AND the Primary**
Date of Death (SEQ 020) is significant and the Secondary Date of
Death (SEQ 040) on the Tax Return is "NOT" significant, bypass
this check. Only the spouse fields are required.

0682 o Authentication Record – When the PIN Type Code (SEQ 008) is
equal to "O" and Filing Status (SEQ 130) is "2" (Married Filing
Jointly), then the following fields must be present; Spouse Date
of Birth (SEQ 040), Spouse Prior Year Adjusted Gross Income (SEQ
050) and Spouse Signature (SEQ 065).

o **When the Secondary Date of Death (SEQ 040) on the Tax Return is**
significant and the Primary Date of Death (SEQ 020) is "NOT"
significant, bypass this check. Only the primary fields are
required.

o **When the Primary Date of Death (SEQ 020) "AND" the Secondary**
Date of Death (SEQ 040) are significant on the Tax Return,
bypass this check. Only the primary fields are required.

.09   Validation of Electronic Signatures for *e-file* (continued)

0683 o Authentication Record – When the PIN TYPE Code (SEQ 008) is
        equal to "P" or "S", the first six numeric of the ERO EFIN/PIN
        (SEQ 090) must equal the Electronic Filer ID Number (EFIN) in
        the Declaration Control Number (DCN)(11 digits total).

0684 o Authentication Record – When the PIN TYPE Code (SEQ 008) is
        equal to "P", "S" or "O", then the Paper Document Indicator 1
        (SEQ 150) or Paper Document Indicator 3 (SEQ 170) or Paper
        Document Indicator 4 (SEQ 180) or Paper Documents Indicator 5
        (SEQ 185) or Paper Document Indicator 6 (SEQ 188) or Paper
        Documents Indicator 7 (SEQ 189) of Summary Record cannot be
        present.

0689 o The year of Taxpayer Signature Date (SEQ 070) must equal
        current processing year.

0694 o Authentication Record – When the PIN Type Code (SEQ 008) is
        equal to "S", then the Jurat/Disclosure Code (SEQ 075) must
        equal "C".

0695 o Authentication Record – When the PIN Type Code (SEQ 008) is
        equal to "P", then the Jurat/Disclosure Code (SEQ 075) must
        equal "D".

0696 o Authentication Record – When the PIN Type Code (SEQ 008) is
        equal to "O", then the Jurat/Disclosure Code (SEQ 075) must
        equal "A".

0697 o Authentication Record – When the PIN Type Code (SEQ 008) is
        equal to "P", then the following fields must be present; Primary
        Taxpayer Signature (SEQ 035), Taxpayer Signature Date (SEQ 070),
        Jurat/Disclosure Code (SEQ 075), PIN Authorization Code
        (SEQ 080) and ERO EFIN/PIN (SEQ 090).

      o **When the Filing Status (SEQ 130) equals "2", the Primary Date of** |
        Death (Seq 020) on the Tax Return is significant and the |
        Secondary Date of Death (SEQ 040) is "NOT" significant, bypass |
        this check. Only the spouse fields are required. |

0698 o Authentication Record – When the PIN Type Code (SEQ 008) is
        equal to "P" and Filing Status (SEQ 130) is "2" (Married Filing
        Jointly), then the Spouse Signature (SEQ 065) must be present.

      o **When the Secondary Date of Death (SEQ 040) on the Tax Return is** |
        significant and the Primary Date of Death (SEQ 020) is "NOT" |
        significant, bypass this check. Only the primary fields are |
        required. |

      o **When the Primary Date of Death (SEQ 020) "AND" the Secondary** |
        Date of Death (SEQ 040) are significant on the Tax Return, |
        bypass this check. Only the primary fields are required. |

0699 o When the PIN Type Code (SEQ 008) is equal to "P", then the
        following fields must NOT be present; Primary Prior Year
        Adjusted Gross Income (SEQ 020) and Spouse Prior Year Adjusted
        Gross Income (SEQ 050).

Section 13 – Electronic Signatures Specifications

.10 Self-Select PIN Questions and Answers

1. What is the Self-Select PIN?

The Self-Select PIN is any five numbers (except all zeros) that you choose
to enter as your electronic signature. A PIN is needed for each taxpayer if
filing a joint return, and each can choose any five numbers.

2. Who is eligible to use the PIN to sign their return?

Any individual who filed Form 1040, 1040A, 1040EZ, 1040NR, 1040PR or used
Tele-*file* in tax year **2001** or individuals who did not file a tax return in
tax year **2001** and are 16 or older by December 31, **2002** are eligible.

3.   Are taxpayers under the age sixteen eligible to participate in the
Self-Select PIN?

Yes, <u>Primary Taxpayers</u> under the age sixteen are eligible to participate
in the Self-Select PIN method, if they have ever filed a tax return before

Yes, <u>Secondary Taxpayers (Spouse)</u> who are under the age sixteen are eligible
to participate in the Self-Select PIN method, if they filed a tax return in
the immediate prior year.

4. Are any taxpayers not eligible to use the PIN?

Taxpayers whose returns require any of the following forms are ineligible
to use the PIN:

- **Primary Taxpayers**, under the age sixteen, **that has never filed
  a tax return**
- **Secondary Taxpayers, under the age of sixteen, that did not file
  a tax return in the immediate prior year.**
- Form 3115, Application for Change in Accounting Method
- **Form 5713, International Boycott Report**
- Form 8283, Non-Cash Charitable Contributions (if using Part B)
- Form 8332, Release of Claim to Exemption for Children of Divorced
  or Separated Parents
- **Form 8609, Low-Income Housing Credit Allocation Certification**
- Taxpayers under the age of 16 who did not file a **2001** tax return

5. Does both taxpayers filing a joint return need a PIN?

Yes, each must sign using a PIN. The taxpayers will choose any five numbers
(except all zeros) as the electronic signature. Primary and spouse may use
the same PIN.

6. What happens if two taxpayers select or use the same PIN?

The taxpayers' personal information includes the Social Security Number,
Date of Birth and Adjusted Gross Income from the **2001** tax return along with
their PIN. This is what the IRS will use to verify the return and have the
PIN as the electronic signature.

Section 13 – Electronic Signatures Specifications

.10 Self-Select PIN Questions and Answers (continued)

7. Can a taxpayer enter a PIN for their spouse?

No. **Form 8879,** IRS *e-file* Signature **Authorization** should only be used to authorize your tax professional to enter the PIN in the absence of the taxpayer.

8. Do both spouses filing a joint return have to authorize the tax professional to input their PINs?

Only if a person is not present when the return is ready to be signed would a signature authorization be given to the preparer to enter the PIN. If neither spouse is present to sign a joint return, each can authorize the preparer to enter his/her respective PIN. But, a spouse who is present would enter his/her own PIN, even if the preparer has authorization to enter the other spouse's PIN.

9. If the taxpayer has never filed a tax return before or did not need to file a tax return for tax year 2001, what amount is entered for the Adjusted Gross Income?

Enter zero ("0") for the adjusted gross income. Do not leave this field blank. The Authentication Record must have eleven zeroes and a blank filled in for these fields if the amount is zero. The return will reject if the field is left blank for a zero amount.

10. What does the taxpayer use for the Adjusted Gross Income if the filing status has changed from last year?

If the change is to Married Filing Jointly, then each taxpayer will use their individual Adjusted Gross Income from their respective **2001** tax |
returns. If the filing status changed from Married Filing Jointly, then both taxpayers will use the same Adjusted Gross Income from the **2001** |
joint return.

11. Does the taxpayer have to use the same PIN that was used last year?

No. They can use any 5 numbers (except all zeros).

12. What if the taxpayer did not bring in last year's tax return or the taxpayer is a new client? How can they get the Adjusted Gross Income?

The taxpayer may call the IRS toll free number at 1-800-829-1040. If they can provide certain information to the Customer Service Representative (such as their name, SSN and current address), they may receive the Adjusted Gross Income amount over the phone or they may request a free transcript. Allow 7 to 10 days to receive the transcript.

13. If the taxpayer does not want to use the PIN, can they still file their return electronically?

Yes. Taxpayers can still file their return electronically through a practitioner or **online.** However, if taxpayers do not want to use the PIN |
to sign their return, a completed and signed Form 8453 or 8453-OL (whichever is applicable) is required by the IRS. These forms must be sent to the IRS when the IRS sends an acknowledgement of the accepted return.

.10   Self-Select PIN Questions and Answers (continued)

14.   If I use the Self-Select PIN and owe taxes may I pay by Electronic Funds Withdrawal or credit card?

Yes. Even if you use the PIN and owe taxes, you may pay by electronic funds withdrawal or by credit card.

15.   Is the Self-Select PIN a Universal PIN?

No. It is used as the taxpayer's electronic signature on their **2002** |
Individual Income Tax Return only.

16.   Can the taxpayer use the same PIN next year?

Yes, or they may choose any 5 **numbers** (except all zeroes). |

17.   What if one or both taxpayers can't be present to enter their Self-Select PIN?

You, as the preparer or transmitter, will need to provide a copy of Form 8879, IRS *e-file* Signature Authorization to the taxpayer.

18.   What is Form 8879, IRS *e-file* Signature Authorization?

Form 8879 allows the tax professional to input the taxpayer's Self-Select PIN. It is provided as a convenience for taxpayers who are unavailable to personally enter their PIN.

19.   Where can I obtain a copy of Form 8879?

Some tax preparation software includes Form 8879 format. A copy of Form 8879 is posted on the IRS website.

20.   Must I use the Form 8879 for every *e-file* return?

No. Form 8879, IRS *e-file* Signature Authorization is only required for Self-Select PIN and Practitioner PIN returns submitted when one or both taxpayers are unavailable to personally enter their PIN.

21.   Can the taxpayer give me their PIN verbally for me to enter in their presence?

No. The taxpayer must personally enter the PIN or they must complete Form 8879, IRS *e-file* Signature Authorization.

22. Can a married taxpayer filing a joint return pick the PIN and enter it for his/her spouse?

No. The taxpayer who cannot be present to personally enter their PIN needs to fill out Form 8879, IRS *e-file* Signature Authorization to authorize their tax professional to input the PIN for them.

Section 13 – <u>Electronic Signatures Specifications</u>

.10 **<u>Self-Select PIN Questions and Answers (continued)</u>**

23. What is my responsibility as a return preparer using the Form 8879, IRS *e-file* Signature Authorization?

As a return preparer, your responsibility will be to provide the taxpayer with Form 8879 along with their return for review. You are required to generate or enter the header information, all 5 line items in Part I, and your name in Part II.

24. What is my responsibility as a Transmitter (ERO) using Form 8879, IRS *e-file* Signature Authorization?

As a Transmitter, your responsibility will be to complete Form 8879 based on the return information you received from the taxpayer.

25. When does the taxpayer sign Form 8879, IRS *e-file* Signature Authorization?

If you prepared the return, the taxpayer will sign the Form 8879 and select a PIN after they have reviewed the prepared return. If the taxpayer provided a completed return for transmittal, the Form 8879 and PIN selection can be completed without reviewing the electronic return.

26. What if one or both taxpayers cannot sign Form 8879, IRS *e-file* Signature Authorization in the ERO's office? Can the form be faxed?

Yes. Form 8879 can be signed and returned to the ERO via a fax transmission transmission. However, the ERO must retain Form 8879 in their file for three years from the Return Due Date or IRS Received Date, whichever is later.

27. Do I provide a copy of the completed Form 8879 to the taxpayer for their records?

You may provide a copy of the completed Form 8879 upon the taxpayer's request, but you are not required to do so for all taxpayers.

28. Do I have to mail Form 8879 to the IRS?

No. Retain the completed copy in your file for 3 years from the Return Due Date or IRS Received Date, whichever is later.

29. What if the Adjusted Gross Income (AGI) is zero?

Each field must be completed in the Authentication Record. The zero ("0") amount should be entered as eleven zeroes and a blank. However, one zero or twelve zeroes will be accepted.

30. Can I submit the same taxpayer Self-Select PIN for all returns I transmit?

No. The taxpayer decides what numbers they want for their PIN. It is not chosen by the preparer or transmitter.

Section 13 – <u>Electronic Signatures Specifications</u>

.10   <u>Self-Select PIN Questions and Answers (continued)</u>

31.   What is an ERO PIN?

The ERO PIN is an electronic signature used by the ERO (along with the taxpayer's PIN) to eliminate a paper Form 8453. For consistency, each ERO is encouraged to use the same 11 digit PIN for all returns for this filing season. The only requirement for an ERO PIN is that the first 6 positions must match EFIN of the DCN. The next five positions you may use any 5 digits (except all zeros).

32.   How do I know the IRS received the taxpayer's Self-Select PIN?

When you receive your Acknowledgement Record, all accepted returns will have the PIN Presence Indicator with the following values:

```
"0"     =  No PIN Received
"1"     =  Practitioner PIN
"2"     =  Self-Select PIN by Practitioner
"3"     =  Self-Select PIN (On-Line Use)
"Blank" =  Rejected Return
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33.   Will the ERO PIN be acknowledged as well?

If the ERO PIN is not present, the return will reject displaying an error reject code.

34.   Where can I receive a copy of the Error Reject Codes for the Self-Select PIN and the Practitioner PIN?

The Error Reject Codes can be found in the Publication 1345A, Filing Season Supplement for Authorized IRS *e-file* Providers.

35.   What about the Date of Birth that is required for the Self-Select PIN?

The Date of Birth is required as part of the authentication process for the taxpayer. IRS will matched the Date of Birth against Social Security Admin. Records. A return using the ERO Self-Select PIN will not be rejected if the Date of Birth does not match. The Acknowledgement Record will contain a Date of Birth Validity Code that will advise you if the Date of Birth submitted matches or not. The following values will be returned.

1. All Date of Birth Valid
2. Primary Date of Birth Mismatched
3. Spouse Date of Birth Mismatched
4. Both Date of Birth Mismatched

Section 13 – Electronic Signatures Specifications

.11 Practitioner PIN Questions and Answers

1. What is the Practitioner PIN?

The Practitioner PIN is an additional signature method for taxpayers
that use an Electronic Return Originator (ERO) to sign their return by
entering a five digit PIN. The PIN can be any five numbers except ALL zeros.

2. Do I need any specific forms to use the Practitioner PIN?

Taxpayers must complete Form 8879, IRS *e-file* Signature Authorization, for
returns using the Practitioner PIN. Taxpayers can either enter their own
PIN or authorize the ERO to enter their PIN for them when completing
Form 8879.

3. Who is eligible to use the Practitioner PIN?

Taxpayers that are eligible to file Forms 1040, 1040A, 1040EZ, or Tele-file
are eligible to use the Practitioner PIN method. There is no age limit on
who can use the Practitioner PIN.

4. Who is ineligible to use the Practitioner PIN?

Taxpayers required to attach Form 3115, Form 3468- Historic Structure
Certificate, Form 8283-Section B, Form 8332, Form 5713 and/or Form 8609 to
their return are ineligible to use the Practitioner PIN.

5. How does the Practitioner PIN method benefit the ERO?

The Practitioner PIN offers an additional signature option for EROs to use
in preparing and transmitting Forms 1040/A/EZ to IRS. More specifically,
it eliminates the Form 8453 by providing a totally paperless e-filed return.

- The Date of Birth nor the Adjusted Gross Income amount is needed
  for Practitioner PIN returns

6. As an ERO, do I need an agreement with IRS to use the Practitioner PIN?

No. Previously, the Practitioner PIN was limited to EROs who had an
agreement with IRS to participate in the method, however beginning in
PY 2003, the Practitioner PIN will be open to all EROs.

7. What is my responsibility as an ERO using the Practitioner PIN?

EROs are required to sign Form 8879, Part III, inputting their ERO EFIN/PIN
for all returns using the Practitioner PIN. The ERO EFIN/PIN consist of
eleven digits (the first six positions is the EFIN and the last five is
any five numbers except ALL zeros). EROs should confirm the identity of
taxpayers per Publication 1345 when completing Form 8879, prior to
transmitting returns to IRS.

8. Do I mail Form 8879, IRS *e-file* Signature Authorization, to the IRS?

No. Do not mail Form 8879 to IRS. EROs using the Practitioner PIN method
must retain Forms 8879 for three years from the return due date or IRS
received date, whichever is later.

Section 13 – Electronic Signatures Specifications

.11 Practitioner PIN Questions and Answers (continued)

9.   Will receive an Acknowledgment that the Practitioner PIN was used?

Yes. A PIN Presence Indicator of "1" will be present in the Acknowledgment
File Key Record of a return when the Practitioner PIN is used. Please be
sure to check the Acknowledgment File for the PIN Presence Indicator on all
returns transmitted using a PIN signature.

10. Where can I find the Error Reject Codes for the Practitioner PIN?

The Error Reject Codes can be found in the Publication 1345A, Filing Season
Supplement for Authorized IRS *e-file* Providers and in Section 10 of this
publication.